As filed with the Securities and Exchange Commission on March 20, 2019
Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

Greenlane Holdings, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	5099	83-0806637
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

1095 Broken Sound Parkway, Suite 300
Boca Raton, FL 33487
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Aaron LoCascio
Chief Executive Officer
1095 Broken Sound Parkway, Suite 300
Boca Raton, FL 33487
(877) 292-7660
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please send copies of all communications to:

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Pryor Cashman LLP	**DLA Piper LLP (US)**
7 Times Square	**4365 Executive Drive, Suite 1100**
New York, New York 10036	**San Diego, California 92121**
(212) 421-4100	**(858) 677-1400**

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[(1)(2)]	Amount of Registration Fee
Class A Common Stock, $0.01 par value per share	$ 92,000,000	$ 11,151

_____

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act").
(2) Includes additional shares that the underwriters have the option to purchase to cover over -allotments, if any.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

PRELIMINARY PROSPECTUS (Subject to Completion) **Dated March 20, 2019**

Shares

greenlane

Greenlane Holdings, Inc.

Class A Common Stock

This is the initial public offering of our Class A common stock. We are selling shares of our Class A common stock, and the selling stockholders named in this prospectus are selling shares of our Class A common stock. We currently expect the initial public offering price to be between $ and $ per share of our Class A common stock. We will not receive any proceeds from the sale of shares by the selling stockholders.

Prior to this offering, there has been no public market for our Class A common stock. We have applied to list our Class A common stock on The Nasdaq Global Market (Nasdaq) under the symbol "GNLN."

Following this offering, we will have three classes of authorized common stock. Each share of our Class A common stock, our Class B common stock and our Class C common stock will have one vote per share. Adam Schoenfeld, our Chief Strategy Officer, and an affiliated entity of Mr. Schoenfeld and Aaron LoCascio, our Chief Executive Officer, will beneficially own all of our issued and outstanding Class C common stock after this offering and will hold in the aggregate approximately % of the combined voting power of our outstanding capital stock after this offering. As a result, Messrs. LoCascio and Schoenfeld will be able to control any action requiring the general approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws and the approval of any merger or sale of substantially all of our assets.

We are an "emerging growth company" as that term is used in the Jumpstart our Business Startups Act of 2012, and as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. See "Prospectus Summary — JOBS Act" and "Risk Factors — Risks Related to this Offering and Ownership of Our Class A Common Stock." We will also be a "controlled company" under the corporate governance rules for Nasdaq-listed companies and will be exempt from certain corporate governance requirements of the Nasdaq Marketplace Rules. See "Prospectus Summary — Controlled Company" and "Risk Factors — Risks Relating to this Offering and Ownership of Our Class A Common Stock."

Investing in our Class A common stock involves risks. See "Risk Factors" beginning on page 24.

	Per Share	*Total*
Initial Public Offering Price	$	$
Underwriting Discounts and Commissions	$	$
Proceeds to Us (before expenses)(1)	$	$
Proceeds to the Selling Stockholders	$	$

(1) See "Underwriting".

The selling stockholders have granted the underwriters an option to purchase up to additional shares of our Class A common stock within 30 days of the closing date of this offering to cover any over-allotments, if any, and for market stabilization purposes. See "Underwriting".

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about , 2019 through the book-entry facilities of The Depository Trust Company.

Cowen **Canaccord Genuity**

Prospectus dated , 2019

Greenlane is a leading distributor of premium consumption accessories and vaporization products to wholesale and retail customers in the United States and Canada

Full Service Warranty
& Repair Center Servicing
The Industry's
Leading Brands

256

Employees
And Counting

Coupled With An Extensive
Network Of Design, Engineering,
Manufacturing, Marketing, Legal,
And Research Resources

6

Distribution Centers
Strategically Located
Throughout The
US & Canada

110

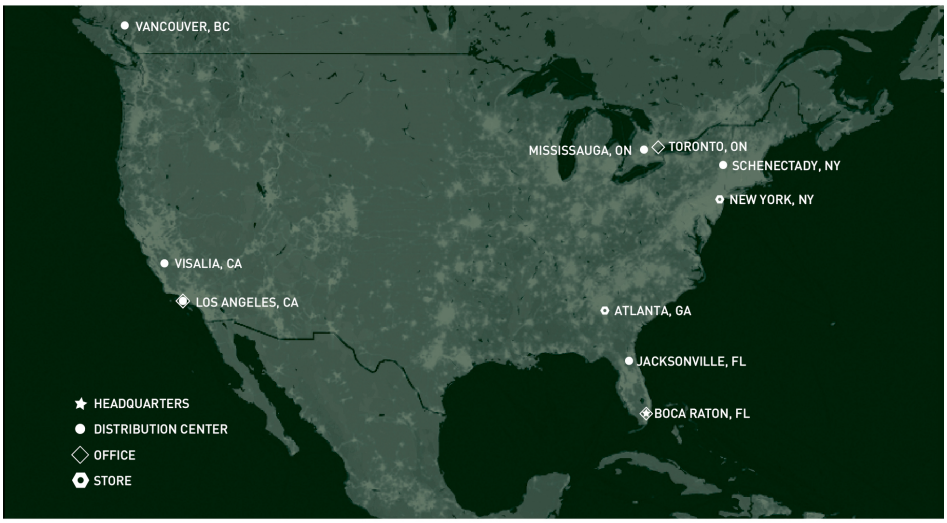
Sales & Sales Support Staff
Servicing Approximately

9,700

Retail Outlets


PAX
greenlane
greenlane


HIGHER
STANDARDS


VANCOUVER, BC
MISSISSAUGA, ON
TORONTO, ON
SCHENECTADY, NY
NEW YORK, NY
VISALIA, CA
LOS ANGELES, CA
ATLANTA, GA
JACKSONVILLE, FL
BOCA RATON, FL
HEADQUARTERS
DISTRIBUTION CENTER
OFFICE
STORE


greenlane


VIBES

14+

Years Of Hard Earned Experience, Data, And Knowledge

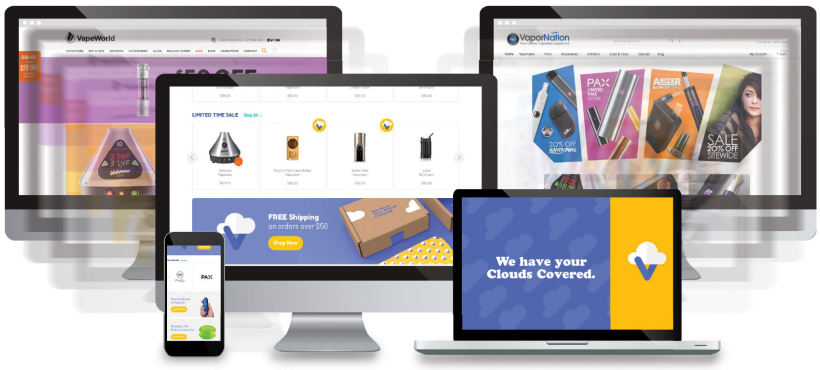
438,000+

Packages Shipped Per Year

DAVINCI
AEROSPACED
PAX
JUUL
STORZ & BICKEL GMBH & CO. KG
banana bros.
GRENCO SCIENCE
BEYCE
HS HIGHER STANDARDS
GROOVE
K.Haring
VIBES
LEVO
pollen gear
CLOUDIOUS9
MARLEY NATURAL

The Greenlane Difference

The combination of efficient order fulfillment, effective inventory management and merchandising expertise comprise a difficult-to-develop skill-set. We have honed these capabilities since our inception.



Sophisticated Marketing Apparatus With Presence Across North America And Beyond


HIGHER STANDARDS
STAY HIGH
HIGHER STANDARDS
HIGHER STANDARDS

5,000+
SKUs


VIBES
VIBES
VIBES

292,000+ Average Unique Monthly Visitors

4,900+ Average Monthly Transactions

VaporNation + VapeWorld.com

greenlane SUPPLY & PACKAGING

The Greenlane Commitment

Our customers always come first. This guides us in everything we do. Our highly trained sales force works tirelessly to provide white glove customer service, building strong-as-steel relationships with retail accounts through thick and thin.

We are responsible for the information contained in this prospectus and in any free-writing prospectus we have authorized. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with different information, and neither we, the selling stockholders nor the underwriters take responsibility for any other information others may give you. Neither we, the selling stockholders nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our Class A common stock. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

TABLE OF CONTENTS

TRADEMARKS AND TRADE NAMES

This prospectus contains references to our trademarks and service marks, including without limitation, Greenlane®, Higher Standards®, VapeWorld®, VaporNation®, Aerospaced®, Groove® and Pollen Gear™. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. In addition, this prospectus contains trade names, trademarks and service marks of other companies that we do not own. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

INDUSTRY, RANKING AND MARKET DATA

This prospectus includes industry data, forecasts and information that we have prepared based, in part, upon data, forecasts and information obtained from independent industry publications and surveys and other information available to us. We caution you not to give undue weight to such projections, assumptions and estimates. Some data contained in this prospectus is also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable; however we have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. We believe that these independent services and our internal data are reliable as of their respective dates. In addition, statements as to our market position and ranking, and projections, assumptions and estimates of our future performance and the future performance of our industry, are based on data currently available to us, and such estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this prospectus.

GLOSSARY

Set forth below is a glossary of industry and other terms used in this prospectus:

- "we," "us," "our," the "Company," "Greenlane" and similar references refer: (i) following the completion of the Transactions (as defined below), including this offering, to Greenlane Holdings, Inc., and, unless otherwise stated, all of its subsidiaries, including Greenlane Holdings, LLC, and, unless otherwise stated, all of its subsidiaries, and (ii) prior to the completion of the Transactions, including this offering, to Greenlane Holdings, LLC and, unless otherwise stated, all of its subsidiaries.
- "Members" refers to the Founder Members and Non-Founder Members, as described below.
- "Founder Members" refers to Adam Schoenfeld, our Chief Strategy Officer, and Jacoby & Co. Inc. an affiliated entity of Mr. Schoenfeld and Aaron LoCascio, our Chief Executive Officer, each of which will continue to own Common Units (as defined below) after the Transactions and who may, following the completion of this offering, exchange their Common Units for shares of our Class A common stock as described in "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement." As the context requires in this prospectus, "Founder Members" also refers to the respective successors, assigns and transferees of such Founder Members permitted under the Greenlane Operating Agreement and our amended and restated certificate of incorporation.
- "Non-Founder Members" refers to those owners of membership interests in Greenlane Holdings, LLC prior to the Transactions, other than the Founder Members, including the holders of membership interests that are subject to vesting, each of which will continue to own Common Units after the Transactions and who may, subject to contractual stipulations following the completion of this offering, exchange their Common Units for shares of our Class A common stock as described in "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement." The Non-Founder Members will include, among others, (i) our named executive officers, other than the Founder Members, and (ii) each of our stockholders identified in the table under the caption "Principal and Selling Stockholders" as beneficially owning shares of our Class B common stock. As the context requires in this prospectus, "Non-Founder Members" also refers to the respective successors, assigns and transferees of such Non-Founder Members permitted under the Greenlane Operating Agreement and our amended and restated certificate of incorporation.

- "Common Units" refer to the single class of issued common membership interests of Greenlane Holdings, LLC.
- "Greenlane Operating Agreement" refers to Greenlane Holdings, LLC's third amended and restated operating agreement, which will become effective on or immediately prior to the completion of this offering.
- "Transactions" refer, unless otherwise stated or the context otherwise requires, to this offering and the other organizational transactions described under the caption "The Transactions."

BASIS OF PRESENTATION

Organizational Structure

In connection with the completion of this offering, we will effect certain organizational transactions, which we refer to collectively as the "Transactions." See "Prospectus Summary — Reorganization Transactions" and "The Transactions" for a description of the Transactions and a diagram depicting our organizational structure after giving effect to the Transactions, including this offering.

Prior to the completion of this offering and the Transactions, Greenlane Holdings, LLC was owned entirely by the Members and operated its business through itself and various wholly-owned subsidiaries. Greenlane Holdings, Inc. was incorporated as a Delaware corporation on May 2, 2018 to serve as the issuer of the Class A common stock offered in this offering.

Following the Transactions, we will be a holding company and the sole manager of Greenlane Holdings, LLC, and upon completion of this offering and the application of proceeds therefrom, our principal asset will be Common Units. For financial reporting purposes, Greenlane Holdings, LLC is the predecessor of our company. We will be the financial reporting entity following this offering. Accordingly, this prospectus contains the following historical financial statements:

- **Greenlane Holdings, LLC**. As we will have no other interest in any operations other than those of Greenlane Holdings, LLC and its subsidiaries, the historical consolidated financial information included in this prospectus is that of Greenlane Holdings, LLC and its subsidiaries.
- **Better Life Holdings, LLC.** We acquired all of the outstanding securities of Better Life Holdings, LLC, d.b.a. VaporNation, a leading west coast distributor of like products, on February 20, 2018 and have included the historical financial information of Better Life Holdings, LLC.
- **Pollen Gear LLC.** We acquired all of the outstanding securities of Pollen Gear LLC, a California-based designer of child-resistant packaging and storage solutions, on January 14, 2019, and have included the historical financial information of Pollen Gear LLC.

The unaudited pro forma financial information of our company presented in this prospectus has been derived by the application of pro forma adjustments to the historical consolidated financial statements of Greenlane Holdings, LLC and its subsidiaries included elsewhere in this prospectus. See "Unaudited Pro Forma Consolidated Financial Information" for a complete description of the adjustments and assumptions underlying the pro forma financial information included in this prospectus.

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before deciding to invest in our Class A common stock. You should read this entire prospectus carefully, including "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical and pro forma consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision.

Our Company

Overview

We are a leading distributor of premium vaporization products and consumption accessories in the United States and have a growing presence in Canada. Our customers include over 6,600 independent smoke shops and regional retail chain stores, which we estimate collectively operate approximately 9,700 retail locations, and hundreds of licensed cannabis cultivators, processors and dispensaries. We also own and operate two of the most visited North American direct-to-consumer e-commerce websites in the vaporization products and consumption accessories industry, *VaporNation.com* and *VapeWorld.com*, which offer convenient, flexible shopping solutions directly to consumers. We are developing a unique e-commerce platform, *Vapor.com*, into which our existing e-commerce websites will be consolidated. Through our expansive North American distribution network and e-commerce presence, we offer a comprehensive selection of more than 5,000 stock keeping units ("SKUs"), including premium vaporizers and parts, cleaning products, grinders and storage containers, pipes, rolling papers and customized lines of premium specialty packaging. Following the passage of The Agriculture Improvement Act of 2018 (the "Farm Bill"), in February 2019 we commenced distribution of premium products containing hemp-derived cannabidiol ("CBD").

We have cultivated a reputation for carrying the highest-quality products from large established manufacturers that offer leading brands, such as the Volcano vaporizers by Storz & Bickel, a leading, premium imported vaporizer brand; PAX 3 vaporizers by PAX Labs, a leading, premium hand-held vaporizer brand; JUUL vaporizers by JUUL Labs, a nicotine vaporizer brand that had a market share of over 70% of the e-cigarette industry as of February 2019, according to Nielsen's tracked channels; and vaporizers by Firefly, a premium hand-held vaporizer brand. We also carry the innovative, up-and-coming products of dozens of promising start-up manufacturers, to which we extend the ability to grow and scale quickly. We provide value-added sales services to complement our product offerings and help our customers operate and grow their businesses. Recently, we have set out to develop a world class portfolio of our own proprietary brands that we believe will, over time, deliver higher margins and create long-term value. We believe our market leadership, wide distribution network, broad product selection and extensive technical expertise provide us with significant competitive advantages and create a compelling value proposition for our customers and our suppliers.

Our Customers. We market and sell our products in both the business to business ("B2B") and business to consumer ("B2C") sectors of the marketplace. We believe our B2B customers choose us for a number of reasons, including the breadth and availability of the products we offer, our extensive expertise, the quality of our customer service, the convenience of our distribution centers and the consistency of our order fulfillment. Our ability to provide a "one-stop shop" experience allows us to be the preferred vendor to many of these customers by streamlining the supply chain. In addition, we believe our customers find great value in the advice and recommendations provided by our knowledgeable sales and service associates, which further increases demand for our products.

We have a diverse base of more than 6,600 B2B customers. Our top ten customers accounted for 13.0% and 10.9% of our net sales for the years ended December 31, 2018 and 2017, respectively, with no single customer accounting for more than 2.4% and 2.0% of our net sales for the years ended December 31, 2018 and 2017, respectively. While we distribute our products to a growing number of large national and regional retailers in Canada, our typical B2B customer is an independent retailer operating in a single market. Our sales teams interact regularly with our B2B customers as most of them have frequent restocking needs. We believe our high-touch customer service model strengthens relationships, builds loyalty and drives repeat business. In addition, we believe our premium product lines, broad product portfolio and strategically-located distribution centers position us well to meet our customers' needs and ensure timely delivery of products.

We also have a large base of B2C customers who we reach via our *VaporNation.com* and *VapeWorld.com* websites. While these customers are predominantly in North America, we also ship to Europe, Australia and other select regions. Our websites are among the most visited within our segment according to Alexa Traffic Rankings, and as of December 31, 2018, we ranked in the top five in 44 Google key search terms and in the top ten in 175 Google key search terms. For the year ended December 31, 2018, our websites attracted an average of over 292,000 unique monthly visitors and generated an average of more than 4,900 monthly transactions. We shipped more than 315,000 parcels to our B2C customers during the year ended December 31, 2018 and more than 180,000 parcels during the year ended December 31, 2017. In addition to our e-commerce platform, in December 2017 we opened our first retail location in the high-traffic shopping center, Chelsea Market, in New York City under our proprietary Higher Standards brand. In March 2019, we expect to open our second Higher Standards retail location in Atlanta's popular Ponce City Market.

For the years ended December 31, 2018 and 2017, our B2B revenues represented approximately 79.5% and 75.5%, respectively, of our net sales, our B2C revenues represented approximately 3.2% and 2.7%, respectively, of our net sales, and 14.5% and 13.7%, respectively, of our net sales were comprised of supply and packaging revenues and revenues derived from the sale and shipment of our products to the customers of third-party website operators and providing other services to our customers.

Our Suppliers. Our strong supplier relationships allow us to distribute a broad selection of in-demand premium products at attractive prices. We are the lead distributor for many of our suppliers due to our scale, nationwide footprint, leading market positions, knowledgeable professionals, high service level and strong customer relationships. We offer suppliers feedback and support through all stages of the product sale cycle, including customer service and warranty support. We are often the largest or most visible exhibitor at industry trade shows where we work closely with our premium suppliers in presenting, demonstrating and exposing their products. We believe these value-added services foster an ongoing and lasting relationship with our suppliers, and they serve as a key element of our business strategy.

We believe many of our suppliers choose us because of our track record for successfully launching and growing brands in our trade channels. For example, since our inception in 2005, we have been working with Storz & Bickel, a manufacturer of specialty vaporization products based in Germany, to launch dozens of its products in the U.S. market and have helped Storz & Bickel to grow its U.S. presence to become one of the leading vaporizer brands in our industry. In addition, in 2016, we began working with LEVO, a start-up manufacturer, to assist it in launching a newly-developed premium kitchen appliance that was designed exclusively for infusing botanicals into oil and butter. By assuming responsibility for LEVO's distribution, wholesaling, trade marketing, warranty support, customer service and web fulfillment, we have helped LEVO scale its operations, introduce new products and become a leader in its market segment.

We source our products from more than 140 suppliers, including leading vaporizer equipment manufacturers, a wide range of smaller companies that are applying breakthrough innovations for up-and-coming products and a variety of suppliers that specialize in low or no-technology industry-staple products, such as rolling papers and cleaning supplies. We have exclusive or lead distribution relationships with some of our largest suppliers, including PAX Labs, Storz & Bickel, Grenco Science, DaVinci, Banana Bros, Eyce and others. We are also one of the largest distributors of products made by JUUL Labs. Additionally, we develop and sell innovative products under our proprietary brands, such as Higher Standards, Pollen Gear, Pop Box and SnapTech. Our portfolio of highly-regarded brands helps us to attract and retain our B2B and B2C customers, which allows us to generate incremental sales opportunities.

Our Distribution Facilities. For the year ended December 31, 2018, we shipped more than 438,000 parcels comprising more than 17.1 million product units, and in the year ended December 31, 2017, we shipped more than 250,000 parcels comprising more than 4.0 million product units. To facilitate these volumes and in anticipation of future growth, we have established a network of six strategically-located distribution centers that provide full coverage of the United States and Canada and ensure timely and cost-effective transportation and delivery of our products. We estimate that, as of December 31, 2018, approximately 90% of our North American customers could be reached within two days via FedEx Ground or similar ground delivery services. Due to our mature and continuously-evolving operational efficiencies, we provide our customers with accurate transaction fulfillment, logistics and customer support services.

Our Growth. In February 2018, we completed the acquisition of Better Life Holdings, LLC, a leading west coast distributor of like products that does business under the trade name VaporNation, to expand and grow our business and market leadership. In January 2019, we completed the acquisition of Pollen Gear LLC, a California-based designer of child-resistant packaging and storage solutions, to expand our portfolio of proprietary brands and improve margins. We intend to pursue additional acquisitions to complement our organic growth and to achieve our strategic objectives. Since December 31, 2017, we have grown our employee count from 139 employees to 256 employees as of December 31, 2018, of which 90 were focused on sales. Our organic and acquisition-driven growth strategies have led to significant increases in consolidated net sales, gross profit and adjusted EBITDA. For the year ended December 31, 2018, which included the results of Better Life Holdings, LLC only for the period commencing on February 20, 2018 and did not include the results of Pollen Gear LLC, we generated consolidated net sales of $178.9 million, gross profit of $35.7 million and adjusted EBITDA of $4.1 million, compared to net sales of $88.3 million, gross profit of $20.6 million and adjusted EBITDA of $3.5 million for the year ended December 31, 2017. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measure — Adjusted EBITDA" for a reconciliation of our adjusted EBITDA to net income.

Investment Highlights

Leading Platform for and Distributor of Premium Vaporization Products and Consumption Accessories in North America

We are a leading distributor of premium vaporization products and consumption accessories in the United States and have a growing presence in Canada. As of December 31, 2018, we carried more than 5,000 SKUs that were sourced from more than 140 suppliers. For the years ended December 31, 2018 and 2017, we had consolidated net sales of $178.9 million and $88.3 million, respectively, and we believe we are positioned to grow substantially as the cannabis regulatory landscape evolves.

Strong and Loyal Customer Base with Robust Sales Infrastructure to Support Scale

Our B2B customers include over 6,600 independent smoke shops and regional retail chain stores, which we estimate collectively operate approximately 9,700 retail locations, and hundreds of licensed cannabis producers, processors and dispensaries. We intend to further expand into new or recently-entered trade channels, including mass retail and big-box retail. We believe our highly-specialized sales force and robust infrastructure are well-positioned to support this growth. We invest in our talent by providing every sales representative with an extensive and ongoing education, including programs that provide comprehensive product knowledge, as well as the tools needed to have a unique understanding of our customers' personalities and decision-making processes.

A Significant E-Commerce Platform Positioned to Become a Global Leader in Direct-to-Consumer

We own and operate two of the most visited North American direct-to-consumer e-commerce websites in our industry, *VaporNation.com* and *VapeWorld.com*. Our e-commerce properties increase our reach on a global scale and provide better gross profit margins than our B2B operations. With a database consisting of more than 318,000 B2C customers, we are able to continually expand our audience and business. In addition to our own fulfillment, we also fulfill web orders for many of the top industry suppliers, as well as for other leading e-commerce websites. We are developing a unique e-commerce platform, *Vapor.com*, that we believe will further increase our leadership position in the direct-to-consumer channel.

Strategically-Located Distribution Footprint

We have established our distribution network across the United States and Canada, including six distribution centers that allow us to deliver to approximately 90% of our customers within two days via FedEx Ground or similar ground delivery services. For the year ended December 31, 2018, our expansive distribution network allowed us to ship over 438,000 parcels comprising over 17.1 million product units. Our infrastructure is built to support our company as it grows and scales. We believe our distribution network would be difficult and expensive for new entrants in our industry to replicate.

Passionate and Committed Executive Team with Proven Track Record of Delivering Strong Results

Our executive team has nearly 100 years of cumulative experience across various industries, including distribution, marketing, sales, financial services, public accounting, logistics, information technology, consumer products and luxury retail. Through steady brand discipline and strategic business planning, our executive team has transformed a small, single-product distributor into a leading multi-product, omni-channel distributor with a diverse and strategic portfolio mix of premium brands and products. Our executive team's passion and dedication to our company permeates across our employees and organizational culture, which fosters innovation, teamwork, passion for our products and personalized customer service.

Our Business Relating to the Cannabis Industry

While we do not cultivate, distribute or dispense cannabis or any cannabis derivatives that are in violation of U.S. federal law, several of the products we distribute, such as vaporizers, pipes, rolling papers and storage solutions, can be used with cannabis or cannabis derivatives as well as nicotine and other substances.

We believe the global cannabis industry is experiencing a transformation from a state of prohibition toward a state of legalization. We expect the number of states, countries and other jurisdictions implementing legalization legislation to continue to increase, which will create numerous and sizable opportunities for market participants, including us. Further, we believe that the trend of users seeking to consume nicotine will continue to evolve from traditional cigarettes to e-cigarettes, vaporizers and heat-not-burn platforms a trend which we are well-positioned to capitalize on.

Global Landscape

The United Nations estimates that the global cannabis market, including the illicit market, is $150 billion annually.

A January 2019 report of Arcview Market Research and BDS Analytics, leading market research firms in the cannabis industry, estimates that spending in the global legal cannabis market was approximately $12.2 billion in 2018 and is estimated to reach $16.9 billion in 2019, representing growth of 38%. The report projects that by 2022, spending in the global legal cannabis market will reach $31.3 billion, representing a compound annual growth rate of approximately 27% over the five-year period from 2017.

Wells Fargo Securities, LLC believes the global e-cigarette and vapor market generated approximately $6.6 billion of revenue in 2018, of which vaporizers, tanks and mods are believed to have comprised $2.8 billion.

Our experience and awareness of the markets in which we operate lead us to believe that demand for the types of products we distribute will grow in tandem with the industry.

The North American Cannabis Landscape

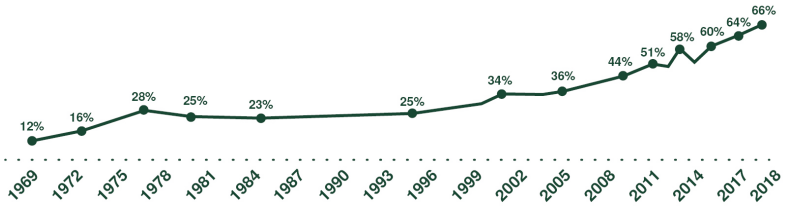
United States and Territories. Thirty-three states, the District of Columbia, Puerto Rico, Guam, and the Commonwealth of the Northern Mariana Islands have legalized medical cannabis in some form, although not all of those jurisdictions have fully implemented their legalization programs. Ten of these states, the District of Columbia and the Commonwealth of the Northern Mariana Islands have legalized cannabis for non-medical adult use and three additional states (Illinois, New Jersey and New York) are actively considering the legalization of cannabis for non-medical adult use. Thirteen additional states have legalized high-cannabidiol (CBD), low tetrahydrocannabinol (THC) oils for a limited class of patients. Only four states continue to prohibit cannabis entirely. Notwithstanding the continued trend toward further state legalization, cannabis continues to be categorized as a Schedule I controlled substance under the Federal Controlled Substances Act (the "CSA") and, accordingly, the cultivation, processing, distribution, sale and possession of cannabis violate federal law in the United States as discussed further in "Risk Factors — Our business depends partly on continued purchases by businesses and individuals selling or using cannabis pursuant to state laws in the United States or Canadian and provincial laws."

We believe support for cannabis legalization in the United States is gaining momentum. According to an October 2018 poll by Gallup, public support for the legalization of cannabis in the United States has increased from approximately 12% in 1969 to approximately 66% in 2018.

Americans' Support For Legalizing Marijuana

Survey Question: Do you think the use of Marijuana should be made legal?

(% of respondents who answered "Yes")

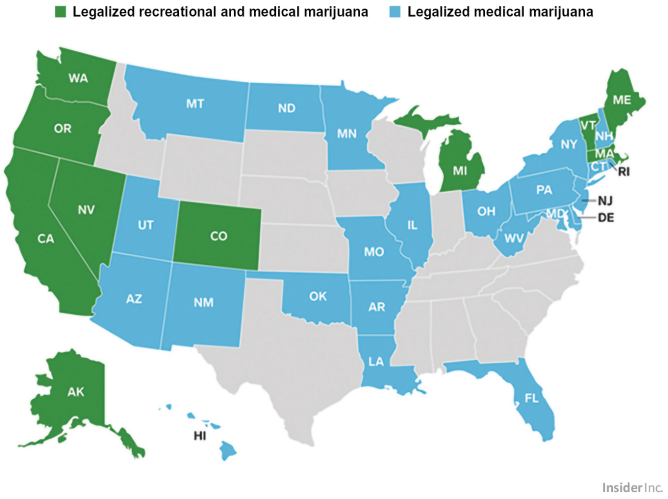


Source: 2018 Gallup Poll

The U.S. cannabis industry has experienced significant growth over the past 12months fueled in part by increasing consumer acceptance and the legalization of medical and recreational cannabis across the United States.

The following map illustrates states that have fully legalized cannabis (for medical and recreational purposes); have partially legalized cannabis (for medical purposes only); and have not legalized cannabis for medical or recreational purposes are outlined below (as of January 4, 2019).

States where cannabis is legal



U.S. CBD Landscape

In December 2018, the Farm Bill was signed into law in the United States which specifically removed hemp from the definition of "marijuana" under the Controlled Substances Act. In addition, the 2018 Farm Bill has designated hemp as an agricultural commodity and permits the lawful cultivation of hemp in all states and territories

of the United States. According to a report published by Brightfield Group, a market research firm, the U.S. hemp-derived CBD market is expected to reach $22 billion by 2022.

Canada. Legal access to dried cannabis for medical purposes was first allowed in Canada in 1999. The *Cannabis Act* (Canada) (the "Cannabis Act") currently governs the production, sale and distribution of medical cannabis and related oil extracts in Canada. Health Canada recently reported over 342,103 client registrations for medical cannabis prescriptions as of September 2018.

On April 13, 2017, the Government of Canada introduced Bill C-45, which proposed the enactment of the Cannabis Act to legalize and regulate access to cannabis. The Cannabis Act proposed a strict legal framework for controlling the production, distribution, sale and possession of medical and recreational adult-use cannabis in Canada. On June 21, 2018, the Government of Canada announced that Bill C-45, received Royal Assent. On July 11, 2018, the Government of Canada published the Cannabis Regulations under the Cannabis Act. The Cannabis Regulations provide more detail on the medical and recreational regulatory regimes for cannabis, including regarding licensing, security clearances and physical security requirements, product practices, outdoor growing, security, packaging and labelling, cannabis-containing drugs, document retention requirements, reporting and disclosure requirements, the new access to cannabis for medical purposes regime and industrial hemp. The majority of the Cannabis Act and the Cannabis Regulations came into force on October 17, 2018.

While the Cannabis Act provides for the regulation by the federal government of, among other things, the commercial cultivation and processing of cannabis for recreational purposes, it provides the provinces and territories of Canada with the authority to regulate in respect of the other aspects of recreational cannabis, such as distribution, sale, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

The governments of every Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. Most provinces and territories have announced a minimum age of 19 years old, except for Québec and Alberta, where the minimum age will be 18. Certain provinces, such as Ontario, have legislation in place that restricts the packaging of vapor products and the manner in which vapor products are displayed or promoted in stores.

In a 2018 publication by Deloitte, a leading professional services and consulting firm, the projected size of the Canadian adult-use market in 2019 ranged from C$1.8billion to C$4.3 billion and in a 2018 research report, CIBC World Markets indicated that it expects the sector to grow to C$6.5 billion by 2020.

The outlook for the North American cannabis industry is largely positive. The industry is expected to continue benefiting from increasingly favorable attitudes toward both medical cannabis and recreational cannabis with expected significant consumer spending increases.

The International Cannabis Landscape

Europe. Europe's population is larger than that of the U.S. and Canadian markets combined, suggesting the potential of a very significant market. Prohibition Partners, a London-based strategic consultancy firm, estimated in 2018 that approximately 12% of the continent's adult population were "irregular" or "intensive" users of cannabis and a fully-regulated cannabis market would be worth more than $65billion annually, with medical usage comprising $42 billion.

Currently, only Germany, Italy, Austria, Czech Republic, Finland, Portugal, Poland, Spain, the Netherlands, Denmark, Greece, Croatia, Macedonia, Poland and Turkey allow cannabis use for medicinal purposes, although it has been widely reported that other countries are considering following suit.

The progress of some key international markets is outlined below.

Germany. In January 2017, the German parliament legalized cannabis for medical consumption. In Germany, the cost of dried cannabis and cannabis extracts will be covered by health insurance for patients who have no other treatment options. Germany has created a "Cannabis Agency" to regulate the formation of a domestic cultivation and production of the medical cannabis supply chain. According to Rheinische Post, in the first 10 months of Germany's medical cannabis reform, over 13,000 applications for medical cannabis have been received by the largest three public health insurance companies in Germany.

United Kingdom. The U.K. is a global leader in legal cannabis production according to the International Narcotics Control Board, and we believe the country has also positioned itself as being in the forefront of medical cannabis research and development. In late October 2018, the U.K. legalized cannabis-based treatments prescribed only by specialist doctors in a limited number of circumstances, particularly children with rare, severe forms of epilepsy, adults with vomiting or nausea caused by chemotherapy, and adults with muscle stiffness caused by multiple sclerosis, where other medicines have failed.

Australia. In February 2016, Australia legalized medical cannabis at the federal level to allow for the manufacturing of medicinal cannabis products in Australia. In October 2016, the Australian regulatory authority released a detailed application process to license domestic cultivators and producers of medical cannabis. In the interim, until local licenses have been awarded and have reached production capacity, Australia is allowing medical cannabis to be imported from locally-authorized producers. In January 2018, the Australian government announced that it would permit the export of medicinal cannabis products to provide increasing opportunities for domestic producers.

Israel. As of January 2019, Israel had legalized medical cannabis and the export of medical cannabis products. According to the country's health minister, as of December 2017, there were 383 farmers that had applied for growing licenses in Israel, and 250 nurseries, 95 pharmacies and 60 processing facilities had applied for cannabis distribution and/or processing licenses. According to the European Journal of Internal Medicine, as of March 2018, there was estimated to be 32,000 registered users of medical cannabis in Israel. Israel has decriminalized, but not legalized, cannabis for non-medical uses.

Uruguay. In December 2013, Uruguay became the first country to legalize cannabis for both medicinal and recreational purposes. According to a news report published by The Independent, as of May 2018, there were over 24,324 government-registered cannabis users, a four-fold increase from approximately 5,000 registered users in July 2017.

Product Information

Consumers of cannabis, herbs, flavored compounds and nicotine are likely going to require the types of products we distribute, including vaporizers, pipes, rolling papers and packaging. We believe we distribute the "picks & shovels" for these rapidly-growing industries.

Inhalation Delivery Methods. There are two prevalent types of inhalation methods for cannabis and nicotine — combustion and vaporization. Recent advances in vaporization technology offer users a cleaner alternative to combustion with fewer health concerns.

Vaporizers are personal devices that heat materials to temperatures below the point of combustion, extracting the flavors, aromas and effects of dry herbs and concentrates in the form of vapor. Measured by revenue, vaporizers are our largest product category. During the years ended December 31, 2018 and 2017, the vaporizers and components category, which is comprised of desktops, portables and pens, generated 80.5% and 79.9%, respectively, of our net sales.

The Science and Popularity of Vaporization

Vaporizers have elements that are designed to quickly heat combustible material, which generates a vapor that is immediately inhaled through the mouthpiece on the device itself, or a hose, pipe or an inflatable bag. Vaporizers can heat a variety of dry materials, viscous liquids and waxes and provides a convenient way for users to consume the active ingredients. Common ingredients used in vaporizers include tobacco, nicotine extracts, legal herbs, CBD, cannabis and propylene glycol and glycerin blends.

Vaporization Technology. Consumers have a wide array of vaporization devices at their disposal, which can be broadly categorized into two primary segments — desktop and portable vaporizers. Our vaporizer offering spans over 115 distinct products across 64 brands.

Desktop Vaporizers. Vaporizers were first developed as desktop models that were powered through traditional electric power sources. Desktop vaporizers are capable of heating the material to a more precise temperature choice determined by the consumer or as advised by a health practitioner. Some models dispense the vapor through a pipe or wand, and others into an inflatable bag in order to allow users to more accurately monitor their consumption.

Portable Vaporizers. With the development of lithium batteries, vaporizers have now become portable. Technological advances are resulting in lighter, sleeker and more visually-appealing units that are capable of

quickly heating the material to the user's desired temperature setting. The temperature setting can be fixed by the manufacturer or set manually by the consumer or via a Bluetooth connection to the consumer's smartphone. Portable vaporizers, of which pens are a sub-set, are differentiated by many features, including output, battery life, recharge time, material, capacity and design.

Other Methods of Consumption. In addition to vaporizers, consumers have a wide array of methods of consumption at their disposal, including, among others, hand pipes, water pipes, rolling papers, and oral and topical delivery methods.

Hand and Water Pipes. We offer a diverse portfolio of approximately 100 products and eight brands, including our own proprietary Higher Standards brand. Many display iconic, licensed logos and artwork as pipes have grown into an artistic expression and are available in countless creative forms and functionality.

Hand pipes are small, portable and simple to use and function by trapping the smoke produced from burning materials, which is then inhaled by the user. Water pipes include large table-top models and bubblers and are more complex because they incorporate the cooling effects of water to the burning materials, before inhalation.

Rolling Papers. Rolling papers are a traditional consumption method used to smoke dried plant material in a "roll-your-own application". Our rolling papers category is comprised of approximately 50 products across eight brands.

Edibles, Tinctures, Ingestible Oils and Topicals are additional methods of consumption. We do not sell or distribute any psychoactive products within these categories.

Our Competitive Strengths

We attribute our success to the following competitive strengths.

Clear Market Leader in an Attractive Industry. We are a leading North American distributor of premium vaporization products and consumption accessories, reaching an estimated 9,700 retail locations and hundreds of licensed cannabis cultivators, processors and dispensaries. We also own and operate two of the industry's most visited North American direct-to-consumer e-commerce websites, *VaporNation.com* and *VapeWorld.com*.

Market Knowledge and Understanding. Because of our experience and our extensive and long-term industry relationships, we believe we have a deep understanding of customer needs and desires in both our B2B and B2C channels. This allows us to influence customer demand and the pipeline between product manufacturers, suppliers, advertisers and the marketplace.

Broadest Product Offering. We believe we offer the industry's most comprehensive portfolio of vaporization products and consumption accessories with over 5,000 SKUs from more than 140 suppliers. This broad product offering creates a "one-stop" shop for our customers and positively distinguishes us from our competitors. In addition, we have carefully cultivated a portfolio of well-known brands and premium products and have helped many of the brands we distribute to become established names in the industry.

Entrepreneurial Culture. We believe our entrepreneurial, results-driven culture fosters highly-dedicated employees who provide our customers with superior service. We invest in our talent by providing every sales representative with an extensive and ongoing education and have successfully developed programs that provide comprehensive product knowledge and the tools needed to have a unique understanding of our customers' personalities and decision-making processes.

Unwavering Focus on Relationships and Superior Service. We aim to be the premier platform and partner of choice for our customers, suppliers and employees.

- *Customers*. We believe we offer superior services and solutions due to our comprehensive product offering, proprietary industry data and analytics, product expertise and the quality of our service. We deliver products to our customers in a precise, safe and timely manner with complementary support from our dedicated sales and service teams.

- *Suppliers.* Our industry knowledge, market reach and resources allow us to establish trusted professional relationships with many of our product suppliers. We offer them a variety of value-added services, such as marketing support, supply chain management, customer feedback, market data and customer service to support the sale of their products.

- *Employees.* We provide our employees with an entrepreneurial culture, a safe work environment, financial incentives and career development opportunities.

Experienced and Proven Management Team Driving Organic and Acquisition Growth. We believe our management team is among the most experienced in the industry. Our senior management team brings experience in accounting, mergers and acquisitions, financial services, consumer packaged goods, retail operations, third-party logistics, information technology, product development and specialty retail and an understanding of the cultural nuances of the sectors that we serve.

Our Strategies

We intend to leverage our competitive strengths to increase shareholder value through the following core strategies:

Build Upon Strong Customer and Supplier Relationships to Expand Organically. Our North American footprint and broad supplier relationships, combined with our regular interaction with our large and diverse customer base, provides us key insights and positions us to be a critical link in the supply chain for premium vaporization products and consumption accessories. Our suppliers benefit from access to more than 6,600 B2B customers and more than 318,000 B2C customers as we are a single point of contact for improved production, planning and efficiency. Our customers, in turn, benefit from our market leadership, talented sales associates, broad product offering, high inventory availability, timely delivery and complementary value-added services. We believe our strong customer and supplier relationships will enable us to expand and broaden our market share in the premium vaporization products and consumption accessories marketplace and expand into new categories. For example, in February 2019 we commenced distribution of premium products containing hemp-derived CBD. Our initial offerings include gel caps, tinctures, and topicals from Mary's Nutritionals and pure hemp-derived CBD cartridges, tinctures, and gel caps from Select. Additionally, we have commenced development of our own proprietary brands of products containing CBD that will initially include tinctures, gel caps, topicals, and cartridges for vaporization.

Expand Our Operations Internationally. We currently focus our marketing and sales efforts on the United States and Canada, the two largest and most developed markets for our products. While we currently support and ship products to customers in Europe, Australia, and parts of South America on a limited basis, we are aware of the growth opportunities in these markets. As we continue to expand our marketing, supplier relationships, sales bandwidth and expertise, we anticipate capturing market share in those regions by opening our own distribution centers, acquiring existing international distributors and partnering with local operators.

Expand our E-Commerce Reach and Capabilities. We own and operate two of the leading direct-to-consumer e-commerce websites in our industry, *VaporNation.com* and *VapeWorld.com*. These sites are two of the most visited within our segment according to Alexa Traffic Rankings, a leading data analytics firm, and as of December 31, 2018, we ranked in the top five in 44 Google key search terms and in the top ten in 175 Google key search terms. We are developing a unique e-commerce platform, *Vapor.com*, which is scheduled to launch within the next six months, that we expect will further increase our industry leadership position in e-commerce. We intend to continue to optimize our ecommerce platform to improve conversion rates, increase average order values, and grow our margins.

Pursue Value-Enhancing Strategic Acquisitions. Through our recently-completed acquisitions of VaporNation (Better Life Holdings, LLC) and Pollen Gear LLC, we have added new markets within the United States, new product lines, talented employees and operational best practices. We intend to continue pursuing strategic acquisitions to grow our market share and enhance leadership positions by taking advantage of our scale, operational experience and acquisition know-how to pursue and integrate attractive targets. We believe we have significant opportunities to add product categories through our knowledge of our industry and possible acquisition targets.

Enhance Our Operating Margins. We expect to enhance our operating margins as our business expands through a combination of additional product purchasing discounts, reduced inbound and outbound shipping and handling rates, reduced transaction processing fees, increased operating efficiencies and realizing the benefits of

leveraging our existing assets and distribution facilities. Additionally, we expect that our operating margins will increase as our product mix continues to evolve to include a greater portion of our proprietary branded products. We are committed to supporting our proprietary brands, such as Higher Standards and Pollen Gear, which offer better price points and significantly higher gross margins than supplier-branded products.

Developing A World-Class Portfolio of Proprietary Brands. We intend to develop a portfolio of our own proprietary brands, which over time should improve our blended margins and create long-term value. Our brand development will be based upon our proprietary industry intelligence that allows us to identify market opportunities for new brands and products. We plan to leverage our distribution infrastructure and customer relationships to penetrate the market quickly with our proprietary brands and to gain placement in thousands of stores. In addition, we plan to sell such products directly to consumers via the brand websites and our e-commerce properties. Our existing proprietary brands include our Higher Standards, Aerospaced, Groove and Pollen Gear brands. In May 2018, we entered into an exclusive license agreement with Keith Haring Studio to manufacture and sell consumption accessory products that will incorporate certain artwork images created by the iconic artist Keith Haring, and in July 2018, we entered into a joint venture with an affiliate of Gilbert Milam, one of the most influential celebrities in the industry today, to create, develop and market a line of consumer products to be sold under the VIBES brand name, including rolling papers and, potentially, clothing, backpacks, cases, and other smoking accessories. We are currently in the final stages of product development for some of these products. In addition, we have absorbed the Marley Natural accessory line as a house brand. In creating or acquiring our proprietary brands, we intend to stay mindful of our key supplier relationships and to identify opportunities within our product portfolio and in the market where we can introduce or acquire compelling products that do not directly compete with the products of our core suppliers. We believe that, over time, our proprietary brands will have a significant positive impact on our results of operations.

Execute on Identified Operational Initiatives. We continue to evaluate operational initiatives to improve our profitability, enhance our supply chain efficiency, strengthen our pricing and category management capabilities, streamline and refine our marketing process and invest in more sophisticated information technology systems and data analytics. In addition, we continue to further automate our distribution facilities and improve our logistical capabilities. We believe we will continue to benefit from these and other operational improvements.

Be the Employer of Choice. We believe our employees are the key drivers of our success, and we aim to recruit, train, promote and retain the most talented and success-driven personnel in the industry. Our size and scale enable us to offer structured training and career path opportunities for our employees, while in our sales and marketing teams, we have built a vibrant and entrepreneurial culture that rewards performance. We are committed to being the employer of choice in our industry.

Recent Developments Regarding Flavored Vaporizer Products

Since mid-2017, the United States Food and Drug Administration (the "FDA") has been pursuing actions to reduce tobacco-related disease and the use of combustible cigarettes, which cause the overwhelming majority of tobacco-related diseases and deaths. After reviewing the results of surveys of middle and high school students that found significant increases in the use by teens of e-cigarettes and other electronic nicotine delivery systems ("ENDS"), such as the vaporizers sold by JUUL Labs, the FDA continues to express growing concern about the popularity of JUUL products, particularly flavored products, among youth. On November 15, 2018, the FDA issued a statement in which it announced that it is directing the FDA's Center for Tobacco Products to revisit its compliance policy as it relates to ENDS products that are flavored, including all flavors other than tobacco, mint and menthol, and to implement changes that would protect teenagers by mandating that all flavored ENDS products (other than tobacco, mint and menthol) be sold only in age-restricted, in-person locations and, if sold on-line, only under heightened practices for age verification. In addition, it was announced that the FDA will pursue the removal from the market of those ENDS products that are marketed to children or are appealing to the youth market, including any products that use popular children's cartoon or animated characters, or are names of products that are names of products favored by children, such as brands of candy or soda.

On November 14, 2018, JUUL Labs announced that, in furtherance of its common goal with the FDA to prevent youth from initiating the use of nicotine, and in anticipation of the above FDA announcement, JUUL Labs plans to eliminate some of its social media accounts, including its U.S. social media accounts on Facebook and Instagram, and it has halted

most retail sales of its flavored products in the United States as part of a plan to restrict the access of its products to youth. As part of its plan, JUUL Labs indicated it will temporarily stop selling most of its flavored JUUL pods in all retail stores in the United States, including convenience stores and vape shops, and will restrict sales to adults 21 and over on its secure website. JUUL Labs also indicated that it will start accepting orders for its flavored products only from retail stores and establishments that can legally sell flavors and can implement JUUL Labs' new restricted distribution system, which initially will designate flavored JUUL products as age restricted, require an electronic scan of a customer's government-issued identification card or license verifying the purchaser's age to be 21 or more for restricted JUUL products regardless of local laws and limit the quantity of items that can be purchased at one time to prevent bulk purchases.

We expect that our sales will be adversely impacted by the U.S. restriction of sales of flavored JUUL products, at least in the near term. Flavored products manufactured by JUUL Labs represented approximately 16.2% and 4.8% of our net sales for the years ended December 31, 2018 and 2017, respectively.

Recent Private Financings

In December 2018 and January 2019, Greenlane Holdings, LLC issued and sold $48.25million aggregate principal amount of convertible promissory notes (the "Convertible Notes") in a private placement transaction. The Convertible Notes do not accrue interest and will automatically settle into shares of our Class A common stock in connection with the closing of this offering at a settlement price equal to 80% of the initial public offering price per share set forth on the cover page of this prospectus.

Of the net proceeds received from the issuance and sale of the Convertible Notes, approximately $18.1 million was used to redeem membership units from certain members of Greenlane Holdings, LLC, including an aggregate of approximately $15.6 million for the redemption of membership units from the Founder Members, and the balance of such net proceeds has been or will be used for general corporate purposes. The redemption of such membership units will be settled concurrently with the automatic settlement of the Convertible Notes into Class A common stock by the cancellation by Greenlane Holdings, LLC of an aggregate of Common Units (the "Common Unit Redemption Settlement") held by the Members who received the redemption payments from Greenlane Holdings, LLC.

In connection with the sale of the Convertible Notes, we agreed with each purchaser of at least $5million principal amount of the Convertible Notes to use commercially reasonable efforts to cause the managing underwriters of this offering to offer to such purchasers, on the same terms, including price per share, and subject to the same conditions as are applicable to all other purchasers of Class A common stock in this offering, the option to purchase in this offering a number of shares of Class A common stock equal to 50% of the principal amount of Convertible Notes purchased by such purchaser divided by the price per share of the Class A common stock sold in this offering, rounded down to the next whole share. All such offers will be conducted in compliance with applicable law, including all applicable federal and state securities laws and regulations.

Reorganization Transactions

Prior to the completion of this offering and the Transactions described below, Greenlane Holdings, LLC was owned entirely by the Members and operated its business through itself and various wholly-owned subsidiaries. Greenlane Holdings, Inc. was incorporated as a Delaware corporation on May 2, 2018, to serve as the issuer of the Class A common stock offered in this offering.

In connection with the completion of this offering, we will consummate the following organizational transactions:

- we will amend and restate Greenlane Holdings, LLC's existing operating agreement effective as of the completion of this offering to, among other things, convert the Members' existing membership interests in Greenlane Holdings, LLC into Common Units, including unvested membership interests and profits interests into unvested Common Units, and appoint Greenlane Holdings, Inc. as the sole manager of Greenlane Holdings, LLC;
- we will amend and restate our certificate of incorporation to, among other things, provide for Class A common stock, Class B common stock and Class C common stock;
- we will issue shares of Class B common stock to the Non-Founder Members on a one-to-one basis with the number of Common Units they own, for nominal consideration, and shares of Class C common

stock to the Founder Members on a three-to-one basis with the number of Common Units they own, for nominal consideration;

- we will issue shares of Class A common stock to the holders of the Convertible Notes at a settlement price equal to 80% of the initial public offering price, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus;
- we will issue shares of our Class A common stock, or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock from the selling stockholders, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus, to the Members upon exchange of an equal number of Common Units, which shares will be sold by the Members as selling stockholders in this offering;
- we will issue shares of our Class A common stock to the purchasers in this offering, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus, and will use all of the net proceeds received by us from such issuance to acquire Common Units from Greenlane Holdings, LLC at a purchase price per Common Unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions, which Common Units, when added to the Common Units we receive from the selling stockholders, will collectively represent % of Greenlane Holdings, LLC's outstanding Common Units following this offering, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock from the selling stockholders;
- Greenlane Holdings, LLC intends to use the proceeds from the sale of Common Units to Greenlane Holdings, Inc. as described in "Use of Proceeds," including to pay the expenses of this offering and for acquisitions of complementary businesses or assets, capital improvements to our warehouses and other facilities, capital expenditures relating to our information technology systems, and working capital and general corporate purposes;
- the Members will continue to own their Common Units not exchanged for the shares of Class A common stock to be sold by them in this offering and will have no economic interests in Greenlane Holdings, Inc. despite their ownership of Class B common stock and Class C common stock, where "economic interests" means the right to receive any distributions or dividends, whether cash or stock, nor any proceeds upon dissolution, winding up or liquidation; and
- Greenlane Holdings, Inc. will enter into (i) a Tax Receivable Agreement with Greenlane Holdings, LLC and the Members and (ii) a Registration Rights Agreement with the Members who, assuming that all of the Common Units of such Members are redeemed or exchanged for newly issued shares of Class A common stock on a one-to-one basis, will own shares of Greenlane Holdings, Inc.'s Class A common stock, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus, representing approximately % of the combined voting power of all of Greenlane Holdings, Inc.'s common stock, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock from the selling stockholders. Although the actual timing and amount of any payments that we make to the Members under the Tax Receivable Agreement will vary, we expect those payments will be significant.

Following this offering, Common Units will be redeemable subject to contractual restrictions at the election of such Members for newly-issued shares of Class A common stock on a one-to-one basis (and their shares of Class B common stock or Class C common stock, as the case may be, will be cancelled on a one-to-one basis in the case of Class B common stock or three-to-one basis in the case of Class C common stock upon any such issuance). We will have the option to instead make a cash payment equal to a volume weighted average market price of one share of Class A common stock for each Common Unit redeemed (subject to customary adjustments, including for stock splits, stock dividends and reclassifications) in accordance with the terms of the Greenlane Operating Agreement. Our decision to make a cash payment upon a Member's election will be made by our independent directors (within the meaning of the Nasdaq Marketplace Rules) who are disinterested.

Our corporate structure following this offering, as described above, is commonly referred to as an "Up-C" structure, which is often used by partnerships and limited liability companies when they undertake an initial public

offering of their business. The Up-C structure will allow the Members to continue to realize tax benefits associated with owning interests in an entity that is treated as a partnership, or "pass-through" entity, for income tax purposes following this offering. One of these benefits is that future taxable income of Greenlane Holdings, LLC that is allocated to the Members will be taxed on a flow-through basis and therefore will not be subject to corporate taxes at the entity level. Additionally, because the Members may redeem their Common Units for shares of our Class A common stock or, at our option, for cash, the Up-C structure also provides the Members with potential liquidity that holders of non-publicly-traded limited liability companies are not typically afforded. See "The Transactions" and "Description of Capital Stock."

Greenlane Holdings, Inc. will receive the same benefits as the Members on account of our ownership of Common Units in an entity treated as a partnership, or "pass-through" entity, for income tax purposes. As we redeem additional Common Units from the Members under the mechanism described above, we will obtain a step-up in tax basis in our share of Greenlane Holdings, LLC's assets. This step-up in tax basis will provide us with certain tax benefits, such as future depreciation and amortization deductions that can reduce the taxable income allocable to us. We expect to enter into the Tax Receivable Agreement with Greenlane Holdings, LLC and each of the Members that will provide for the payment by us to the Members of 85% of the amount of tax benefits, if any, that we actually realize (or in some cases are deemed to realize) as a result of (i) increases in tax basis resulting from the redemption of Common Units and (ii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement.

We refer to the foregoing distribution and organizational transactions collectively as the "Transactions." For more information regarding our structure after the completion of the Transactions, including this offering, see "The Transactions."

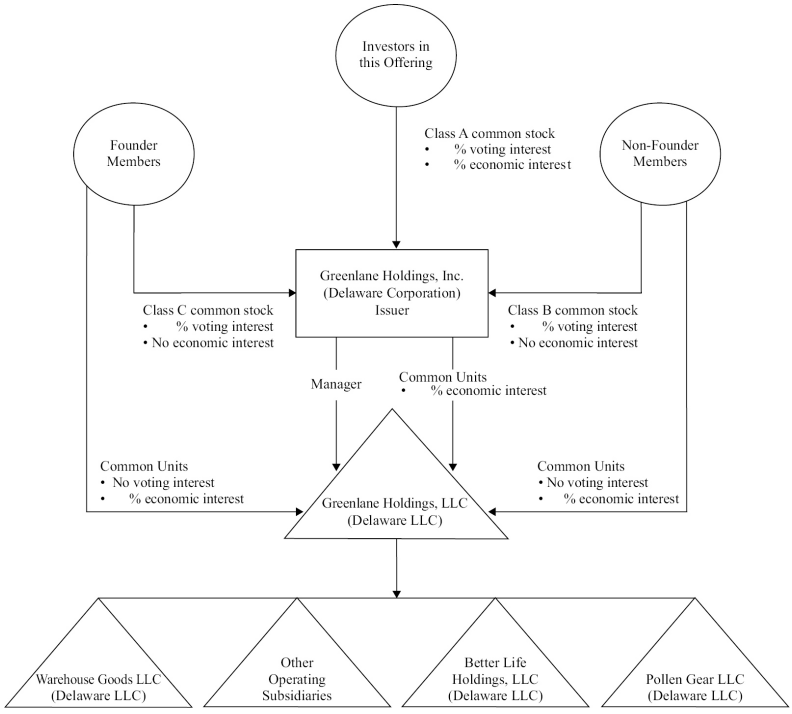
Immediately following this offering, we will be a holding company and our principal asset will be the Common Units we purchase from Greenlane Holdings, LLC. As the sole manager of Greenlane Holdings, LLC, we will operate and control all of the business and affairs of Greenlane Holdings, LLC and, through Greenlane Holdings, LLC and its subsidiaries, conduct our business. Although we will have a minority economic interest in Greenlane Holdings, LLC, we will have the sole voting interest in, and control the management of, Greenlane Holdings, LLC, and will have the obligation to absorb losses of, and receive benefits from, Greenlane Holdings, LLC that could be significant. As a result, we have determined that, after the Transactions, Greenlane Holdings, LLC will be a variable interest entity, or VIE, and that we will be the primary beneficiary of Greenlane Holdings, LLC. Accordingly, pursuant to the VIE accounting model, we will consolidate Greenlane Holdings, LLC in our consolidated financial statements and will report a non-controlling interest related to the Common Units held by the Members on our consolidated financial statements.

See "Description of Capital Stock" for more information about our amended and restated certificate of incorporation and the terms of the Class A common stock, Class B common stock and Class C common stock. See "Certain Relationships and Related Party Transactions" for more information about:

- the Greenlane Operating Agreement, including the terms of the Common Units and the redemption right of the Members;
- the Tax Receivable Agreement; and
- the Registration Rights Agreement.

Corporate Structure

The following diagram shows our organizational structure after giving effect to the Transactions, including this offering, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus and no exercise by the underwriters of their option to purchase additional shares of Class A common stock:



Controlled Company

We are presently a "controlled company" under the Nasdaq Marketplace Rules as a result of the Founder Member's ownership of a majority of our voting shares, which entitles us to rely on certain exemptions from Nasdaq's corporate government requirements. We expect to remain a "controlled company" following the completion of this offering.

JOBS Act

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012. We will remain an emerging growth company until the earlier to occur of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we become a large accelerated filer, which means that we have been public for at least 12 months, have filed at least one annual report and the market value of our Class A common stock that is held by non-affiliates exceeds $700 million as of the last day of our then most recently completed second fiscal quarter and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. We refer to the Jumpstart Our Business Startups Act of 2012 as the "JOBS Act," and references to "emerging growth company" have the meaning given to such term in the JOBS Act.

An emerging growth company may take advantage of specified exemptions from various requirements that are otherwise generally applicable to public companies in the United States. These provisions include:

- an exemption to include in an initial public offering registration statement less than five years of selected financial data; and
- an exemption from the auditor attestation requirement in the assessment of the emerging growth company's internal control over financial reporting.

We have availed ourselves in this prospectus of the reduced reporting requirements described above with respect to selected financial data. As a result, the information that we are providing to you may be less comprehensive than what you might receive from other public companies.

In addition, the JOBS Act provides that an emerging growth company may delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act"). Therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Corporate Information

We were incorporated as a Delaware corporation on May 2, 2018 for the purpose of issuing the Class A common stock in this offering and acquiring Common Units in Greenlane Holdings, LLC, our principal operating subsidiary, which was organized as Delaware limited liability company on September 1, 2015. Our principal executive offices are located at 1095 Broken Sound Parkway, Suite 300, Boca Raton, FL 33487, and our telephone number is (877) 292-7660. Our corporate website is *www.gnln.com*. Information contained on our website is not incorporated by reference into this prospectus, and such information should not be considered to be part of this prospectus.

The Offering

Issuer in this offering	Greenlane Holdings, Inc.
Class A common stock offered by us	shares
Class A common stock offered by the selling stockholders	shares
Underwriters' option to purchase additional shares of Class A common stock	The selling stockholders have granted the underwriters the right to purchase up to additional shares of Class A common stock within 30 days of the closing date of this offering. See "Underwriting."
Class A common stock to be outstanding immediately after this offering	shares, representing % of the voting interest and 100% of the economic interest in us, or shares, representing % voting interest and 100% of the economic interest in us if the underwriters exercise in full their option to purchase additional shares of Class A common stock.
Class B common stock to be outstanding immediately after this offering	shares, representing % of the voting interest and no economic interest in us, or shares, representing % voting interest and no economic interest if the underwriters exercise in full their option to purchase additional shares of Class A common stock.
Class C common stock to be outstanding immediately after this offering	shares, representing % of the voting interest and no economic interest in us, representing % voting interest and no economic interest if the underwriters exercise in full their option to purchase additional shares of Class A common stock.
Common Units of Greenlane Holdings, LLC to be held by us immediately after this offering	Common Units, representing a % economic interest in the business of Greenlane Holdings, LLC, or Common Units, representing a % economic interest in the business of Greenlane Holdings, LLC, if the underwriters exercise in full their option to purchase additional shares of Class A common stock.
Common Units of Greenlane Holdings, LLC to be held by the Members after this offering	Common Units, representing an % economic interest in the business of Greenlane Holdings, LLC, or Common Units, representing an % economic interest in the business of Greenlane Holdings, LLC, if the underwriters exercise in full their option to purchase additional shares of Class A common stock.
Ratio of shares of Class A common stock to Common Units	Our amended and restated certificate of incorporation and the Greenlane Operating Agreement will require that we and Greenlane Holdings, LLC at all times maintain a one-to-one ratio between the number of shares of Class A common stock issued by us and the number of Common Units owned by us.

Ratio of shares of Class B common stock to Common Units	Our amended and restated certificate of incorporation and the Greenlane Operating Agreement will require that we and Greenlane Holdings, LLC at all times maintain a one-to-one ratio between the number of shares of Class B common stock owned by the Non-Founder Members and the number of Common Units owned by the Non-Founder Members.
Ratio of shares of Class C common stock to Common Units	Our amended and restated certificate of incorporation and the Greenlane Operating Agreement will require that we and Greenlane Holdings, LLC at all times maintain a three-to-one ratio between the number of shares of Class C common stock owned by the Founder Members and the number of Common Units owned by the Founder Members.
Permitted holders of shares of Class B common stock	Only the Non-Founder Members and their permitted transferees of Common Units as described herein will be permitted to hold shares of our Class B common stock. Shares of Class B common stock are transferable only together with an equal number of Common Units. See "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement."
Permitted holders of shares of Class C common stock	Only the Founder Members and their permitted transferees of Common Units as described herein will be permitted to hold shares of our Class C common stock. Shares of Class C common stock are transferable only together with the transfer of Common Units, and three shares of Class C common stock must be transferred for each Common Unit transferred. See "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement" and "Description of Capital Stock — Class C Common Stock — Conversion."
Voting rights	Each share of our Class A common stock entitles its holder to one vote per share, representing an aggregate of % of the combined voting power of our issued and outstanding common stock upon the completion of this offering, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock. Each share of our Class B common stock entitles its holder to one vote per share, representing an aggregate of % of the combined voting power of our issued and outstanding common stock upon the completion of this offering, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock. Each share of our Class C common stock entitles its holder to one vote per share, representing an aggregate of % of the combined voting power of our issued and outstanding common stock upon the completion of this offering, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock. All classes of our common stock generally vote together as a single class on all matters submitted to a vote of our stockholders, except as otherwise required by law or our amended and restated certificate of incorporation. Upon the completion of this offering, our Class B common stock will be held exclusively by the Non-Founder Members and, following the Class C share conversion, the Founder Members and our Class C common stock will be held exclusively by the Founder Members. See "Description of Capital Stock."

Voting power of the Members after this offering	%, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock.
Voting power of our executive officers, directors and persons holding more than 5% of our Class A, Class B or Class C common stock (other than any purchasers in this offering) after this offering	%, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock.
Redemption rights of holders of Common Units	The Members, from time to time following the completion of this offering, may require Greenlane Holdings, LLC to redeem all or a portion of their Common Units for newly-issued shares of Class A common stock on a one-to-one basis or, at our option, a cash payment equal to a volume weighted average market price of one share of our Class A common stock for each Common Unit redeemed (subject to customary adjustments, including for stock splits, stock dividends and reclassifications) in accordance with the terms of the Greenlane Operating Agreement. Our decision to make a cash payment upon a Member's redemption election will be made by our independent directors (within the meaning of the Nasdaq Marketplace Rules) who are disinterested. See "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement." Shares of our Class B common stock and Class C common stock, as the case may be, will be cancelled, without consideration, on a one-to-one basis in the case of our Class B common stock or a three-to-one basis in the case of our Class C common stock if we, at the election of a Member, redeem or exchange Common Units of such Member pursuant to the terms of the Greenlane Operating Agreement.
Use of proceeds	We intend to use the net proceeds received by us from this offering to purchase Common Units (assuming an initial offering price per share of Class A common stock in this offering of $ per share, the midpoint of the price range set forth on the cover page of this prospectus) directly from Greenlane Holdings, LLC at a price per Common Unit equal to the initial public offering price per share of Class A common stock in this offering, less underwriting discounts and commissions. We will not receive any proceeds from the sale of Class A common stock by the selling stockholders, including any shares sold to the underwriters upon exercise of their right to purchase additional shares of Class A common stock. We will receive Common Units from the selling stockholders in exchange for the shares of Class A common stock to be sold by the selling stockholders in this offering. We intend to cause Greenlane Holdings, LLC to use the proceeds from the sale of Common Units to us to pay the expenses of this offering and for acquisitions of complementary businesses or assets, capital improvement to our, warehouses and other facilities, capital expenditures relating to our information technology systems and working capital and general corporate purposes. See "Use of Proceeds."

Tax Receivable Agreement	We will enter into the Tax Receivable Agreement with Greenlane Holdings, LLC and each of the Members that will provide for the payment by us to the Members of 85% of the amount of tax benefits, if any, that we actually realize (or in some circumstances are deemed to realize) as a result of (i) increases in tax basis resulting from any future redemptions that are funded by us or exchanges of Common Units described above under "— Redemption rights of holders of Common Units" and (ii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement. See "Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement" for a discussion of the Tax Receivable Agreement.
Registration Rights Agreement	Pursuant to the Registration Rights Agreement, we will, subject to the terms and conditions thereof, agree to register the resale of the shares of our Class A common stock that are issuable to the Members upon redemption or exchange of their Common Units. See "Certain Relationships and Related Party Transactions — The Transactions — Registration Rights Agreement."
Controlled Company	Upon completion of this offering, we will be a "controlled company" under the corporate governance rules for Nasdaq-listed companies and will be exempt from certain corporate governance requirements of the Nasdaq Marketplace Rules.
Directed Share Program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares of our Class A common stock offered by this prospectus (excluding the shares of Class A common stock that may be issued upon the underwriters' exercise of their option to purchase additional shares), for sale at the public offering price to individuals, including our officers, directors and employees, as well as friends and family members of our officers and directors. If purchased by persons who are not officers or directors, the shares will not be subject to a lock-up restriction. If purchased by any officer or director, the shares will be subject to a 180-day lock-up restriction. The number of shares available for sale to the general public, referred to as the general public shares, will be reduced to the extent that these persons purchase all or a portion of the reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus. Likewise, to the extent demand by these persons exceeds the number of shares reserved for sale in the program, and there are remaining shares available for sale to these persons after the general public shares have first been offered for sale to the general public, then such remaining shares may be sold to these persons at the discretion of the underwriters. For further information regarding our directed share program, see "Certain Relationships and Related Party Transactions" and "Underwriting."
Proposed Nasdaq Symbol	We have applied to list our Class A common stock on Nasdaq under the symbol "GNLN."
Risk Factors	You should read the "Risk Factors" section of this prospectus for a discussion of facts to consider carefully before deciding to invest in shares of our Class A common stock.

The shares of our Class A common stock to be outstanding after this offering include shares of Class A common stock that the selling stockholders are selling in this offering if the underwriters' option to purchase additional shares is fully exercised, which may be resold immediately in the public market, as well as the issuance of shares of Class A common stock upon the automatic share settlement of the Convertible Notes, assuming an offering price per share of the Class A common stock of $, the midpoint of the price range set forth on the cover page of this prospectus, and excludes:

- shares of Class A common stock that may be issuable upon exercise of the Members' rights to redeem their Common Units, assuming an offering price of $, the midpoint of the price range set forth on the cover page of this prospectus, after giving effect to the cancellation of Common Units as a result of the Common Unit Redemption Settlement concurrently with the automatic share settlement of the Convertible Notes; and
- shares of Class A common stock reserved for future issuance under our 2019 Equity Incentive Plan, including shares of Class A common stock issuable upon the exercise of stock options our board of directors has approved in connection with this offering (based on an assumed initial public offering price in this offering of $ per share, the midpoint of the price range set forth on the cover page of this prospectus).

The shares of Class B common stock and Class C common stock to be outstanding following this offering is based on Common Units held by the Members as of December 31, 2018 after taking into account the assumptions set forth below, of which Common Units will be subject to certain vesting conditions. The shares of Class C common stock to be outstanding following this offering is based on Common Units held by the Founder Members as of December 31, 2018 after taking into account the assumptions set forth below.

Unless we indicate otherwise or the context otherwise requires, all information in this prospectus:

- gives effect to the Greenlane Operating Agreement, as well as the filing of our amended and restated certificate of incorporation;
- gives effect to the Transactions;
- assumes no exercise by the underwriters of their option to purchase additional shares of Class A common stock from the selling stockholders, assuming an offering price per share of the Class A common stock of $, the midpoint of the price range set forth on the cover page of this prospectus;
- includes the issuance of shares of Class A common stock upon the automatic share settlement of the Convertible Notes, assuming an offering price per share of the Class A common stock of $, the midpoint of the price range set forth on the cover page of this prospectus; and
- includes an aggregate of Common Units and shares of Class B common stock, assuming an offering price per share of the Class A common stock of $, the midpoint of the price range set forth on the cover page of this prospectus to be issued upon consummation of the Transactions to certain of our executive officers that are subject to certain vesting conditions and may not be redeemed for shares of Class A common stock until such vesting conditions are satisfied. See "Executive Compensation."

Summary Consolidated Financial and Other Data

The following tables present the summary historical consolidated financial and other data for Greenlane Holdings, LLC and its subsidiaries. Greenlane Holdings, LLC is our predecessor for financial reporting purposes. The summary consolidated statement of operations data for the years ended December 31, 2018 and 2017 and the summary balance sheet data at December 31, 2018 and 2017 were derived from the audited consolidated financial statements of Greenlane Holdings, LLC included elsewhere in this prospectus. The results of operations for the periods presented below are not necessarily indicative of the results to be expected for any future period. The following summary consolidated financial and other data should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes of Greenlane Holdings, LLC included elsewhere in this prospectus.

The summary historical consolidated financial and other data of our company, Greenlane Holdings, Inc., has not been presented, as we are a newly-incorporated entity, have had no business transactions or activities to date and had no assets or liabilities during the periods presented in this section.

	Years Ended December 31,	
	2018	**2017**
Statement of Operations Data:		
Net sales	$ 178,934,937	$ 88,259,975
Gross profit	35,735,363	20,570,397
Operating expenses	38,215,707	17,854,624
Income from operations	(2,480,344)	2,715,773
Other expense, net	(3,088,046)	(241,683)
(Loss) income before income taxes	(5,568,390)	2,474,090
Net (loss) income	(5,887,711)	2,291,557
Other Data:		
Adjusted EBITDA[(1)]	$4,101,879	$ 3,506,982

(1) Adjusted EBITDA is defined as net (loss) income before interest expense, income tax expense, depreciation and amortization expense, equity-based compensation expense, other income, net, and non-recurring expenses primarily related to our transition to being a public company. These non-recurring expenses, which are reported within general and administrative expenses in our consolidated statements of operations, represent fees and expenses primarily attributable to consulting fees and incremental audit and legal fees. Adjusted EBITDA eliminates the effects of items that we do not consider indicative of our core operating performance and that are included in the calculation of net income. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measure — Adjusted EBITDA" for a discussion of adjusted EBITDA and a reconciliation of adjusted EBITDA to net (loss) income, the most directly comparable measure under generally accepted accounting principles in the United States (U.S. GAAP).

	As of December 31,	
	2018	**2017**
Balance Sheet Data:		
Cash	$ 7,341,485	$ 2,080,397
Accounts receivable, net	8,217,787	3,759,551
Inventories, net	29,502,074	14,159,693
Total current assets	57,105,170	23,288,456
Goodwill and intangible assets, net	9,108,100	4,706,005
Total assets	78,021,174	29,571,827
Total current liabilities	30,434,792	19,519,682
Total liabilities	79,047,844	20,175,994
Total redeemable Class B units (temporary equity)	10,032,509	—
Total members' (deficit) equity	(11,059,179)	9,395,833
Total liabilities, redeemable Class B units, and members' (deficit) equity	78,021,174	29,571,827

Summary Pro Forma Condensed Consolidated Financial Data

The following summary unaudited pro forma consolidated statement of operations data for the year ended December 31, 2018 presents our consolidated results of operations after giving effect to (i) the acquisition by Greenlane Holdings, LLC of Better Life Holdings, LLC and Pollen Gear LLC, (ii) the organizational transactions described under "The Transactions," and (iii) this offering and the use of proceeds from this offering, as if each had been completed as of January 1, 2018. The following pro forma consolidated balance sheet data presents our consolidated financial position as of December 31, 2018 after giving effect to (i) the issuance of $8.05 million aggregate principal amount of additional Convertible Notes in January 2019 and the subsequent redemption of membership units from members of Greenlane Holdings, LLC using a portion of the net proceeds received from the sale of such Convertible Notes, (ii) the issuance in January 2019 of new profits interest awards to former phantom equity award holders and the issuance in February 2019 of new profits interest awards to employees, (iii) the acquisition by Greenlane Holdings, LLC of Pollen Gear LLC in January 2019, (iv) the organizational transactions described under "The Transactions," and (v) this offering and the use of proceeds from this offering, as if each had been completed as of December 31, 2018. The summary unaudited pro forma condensed consolidated financial data has been prepared from, and should be read in conjunction with, the unaudited pro forma condensed consolidated financial information set forth under the caption "Unaudited Pro Forma Consolidated Financial Information" and the historical consolidated financial statements and notes thereto of Greenlane Holdings, LLC and the historical consolidated financial statements of Better Life Holdings, LLC and Pollen Gear LLC, each included elsewhere in this prospectus.

The summary historical profit and loss accounts of each of these entities have been prepared in accordance with U.S. GAAP. The pro forma acquisition adjustments described in the summary unaudited pro forma condensed consolidated financial information are based on available information and certain assumptions made by us and may be revised as additional information becomes available as the purchase accounting for the acquisition is finalized. The pro forma adjustments are based on preliminary estimates of the fair values of assets acquired and information available as of the date of this prospectus. Certain valuations are currently in process. Actual results may differ from the amounts reflected in the unaudited pro forma condensed consolidated financial statements, and the differences may be material.

The unaudited pro forma condensed consolidated financial information included in this prospectus is not intended to represent what our results of operations would have been if the acquisitions of Better Life Holdings, LLC and Pollen Gear LLC, the Transactions and this offering had occurred on January 1, 2018 or to project our results of operations for any future period. The acquisition of Better Life Holdings, LLC was completed on February 20, 2018 and the acquisition of Pollen Gear LLC was completed on January14, 2019. We, Better Life Holdings, LLC and Pollen Gear LLC were not under common control or management for any period presented prior to the acquisition date. Therefore, the unaudited pro forma condensed consolidated financial results may not be comparable to, or indicative of, future performance.

	As of December 31, 2018		
	(unaudited)		
	Pro Forma Greenlane Holdings, LLC[(1)]	Pro Forma Greenlane Holdings, LLC, Including the Transactions, Before this Offering	Pro Forma Greenlane Holdings, LLC, Including the Transactions and this Offering
Balance Sheet Data:			
Cash	$ 12,463,420	$ 12,463,420	$
Accounts receivable, net	8,217,787	8,217,787	8,217,787
Inventories, net	29,502,074	29,502,074	29,502,074
Total current assets	62,150,170	62,150,170	
Intangible assets, net	6,257,409	6,257,409	6,257,409
Goodwill	8,995,189	8,995,189	8,995,189
Total assets	89,562,468	89,562,468	
Total current liabilities	30,282,836	30,282,836	
Total liabilities	86,945,888	86,945,888	
Total redeemable Class B units	16,278,190	—	—
Total members'/stockholders' equity (deficit)	(13,661,610)		
Total liabilities, redeemable Class B units and members'/stockholders' equity (deficit)	89,562,468		

(1) Pro forma adjustments include the (i) the issuance of $8.05 million aggregate principal amount of additional Convertible Notes in January 2019 and subsequent redemption of membership units from members of Greenlane Holdings, LLC using a portion of the net proceeds received from the sale of such Convertible Notes, (ii) the issuance in January 2019 of new profits interest awards to former phantom equity award holders and the issuance in February 2019 of new profits interest awards to employees, and (iii) the acquisition by Greenlane Holdings, LLC of Pollen Gear LLC in January 2019.

	Year Ended December 31, 2018		
	Pro Forma Greenlane Holdings, LLC Including Acquisition of Better Life Holdings, LLC and Pollen Gear LLC	Pro Forma Greenlane Holdings, LLC Including Acquisition of Better Life Holdings, LLC, Pollen Gear LLC, and the Transactions, Before this Offering	Pro Forma Greenlane Holdings, LLC Including Acquisition of Better Life Holdings, LLC, Pollen Gear LLC and the Transactions, Including this Offering
	(unaudited)	(unaudited)	(unaudited)
Statement of Operations Data:			
Net sales	$ 181,003,121	$ 181,003,121	$ 181,003,121
Gross profit	37,419,253	37,419,253	37,419,253
Operating expenses	40,479,657	40,479,657	
Loss from operations	(3,060,404)	(3,060,404)	
Other expense, net	(3,085,962)	(3,085,962)	(3,085,962)
Loss before taxes	(6,146,366)	(6,146,366)	
Net loss	(6,465,687)	(6,465,687)	
Net loss attributable to non-controlling interests	—		
Net loss attributable to Greenlane Holdings, Inc.	—		

RISK FACTORS

An investment in our Class A common stock involves a high degree of risk and many uncertainties. You should carefully consider the specific factors listed below together with the other information included in this prospectus before purchasing our Class A common stock in this offering. If any of the possibilities described as risks below actually occurs, our operating results and financial condition would likely suffer and the trading price of our Class A common stock could fall, causing you to lose some or all of your investment. The following is a description of what we consider the key challenges and material risks to our business and an investment in our Class A common stock.

Risks Related to Our Business and Industry

We have experienced rapid growth, both domestically and internationally, and expect continued future growth, including growth from additional acquisitions. If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service or address competitive challenges adequately. Furthermore, our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity, and teamwork fostered by our culture, and our business may be harmed.

We have recently experienced a period of rapid growth in our business, operations, and employee headcount. Our net sales increased to $178.9 million in the year ended December 31, 2018 from $66.7 million in the year ended December 31, 2016, representing a 168.3% increase. We shipped over 16.0 million product units to our B2B customers in the year ended December 31, 2018 compared to over 2.0 million product units to our B2B customers in fiscal year 2016, representing a growth rate of approximately 687.3%. We grew our employee head count from 89 employees as of January 1, 2016 to 256 employees as of December 31, 2018.

We intend to continue to grow our business through the expansion of our product offerings, product shipments, our commercial, administrative and marketing operations and overall employee headcount. Our success will depend, in part, on our ability to manage this growth, both domestically and internationally. Any growth in, or expansion of, our business is likely to continue to place a strain on our management and administrative resources, infrastructure and systems. As with other growing businesses, we expect that we will need to further refine and expand our business development capabilities, our systems and processes and our access to financing sources. We will also need to hire, train, supervise, and manage new employees. These processes are time consuming and expensive and will increase management responsibilities and divert management attention. We cannot assure that we will be able to:

- expand our product offerings effectively or efficiently or in a timely manner, if at all;
- allocate our human resources optimally;
- meet our capital needs;
- identify and hire qualified employees or retain valued employees;
- effectively incorporate the components of any business or product line that we may acquire in our effort to achieve growth; or
- continue to grow our business rapidly.

Our inability or failure to manage our growth and expansion effectively could harm our business and materially adversely affect our operating results and financial condition. In addition, we believe that an important contributor to our success has been and will continue to be our corporate culture, which we believe fosters innovation, teamwork and a passion for our products and customers. As a result of our rapid growth, we may find it difficult to build and maintain our strong corporate culture, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to retain current and recruit new personnel, continue to perform at current levels or execute on our business strategy.

The market for vaporizer products and related items is a niche market, subject to a great deal of uncertainty and is still evolving.

Vaporizer products comprise a significant portion of our product portfolio. Many of these products have only recently been introduced to the market and are at an early stage of development. These products represent core

components of a niche market that is evolving rapidly, is characterized by a number of market participants and is subject to regulatory oversight and a potentially fluctuating regulatory framework. Rapid growth in the use of, and interest in, vaporizer products are recent, and may not continue on a lasting basis. The demand and market acceptance for these products is subject to a high level of uncertainty, including, but not limited to, changes in governmental regulation, developments in product technology, perceived safety and efficacy of our products, perceived advantages of competing products and sale and use of materials that can be vaporized, including in the expanding legal national and state cannabis markets. Therefore, we are subject to many of the business risks associated with a new enterprise in a niche market. Continued technical evolution, market uncertainty, evolving regulation and the resulting risk of failure of our new and existing product offerings in this market could have a material adverse effect on our ability to build and maintain market share and on our business, results of operations and financial condition. Further, there can be no assurance that we will be able to continue to effectively compete in this marketplace.

We depend on third-party suppliers for our products and may experience unexpected supply shortages.

We depend on third-party suppliers for our vaporization products and consumption accessories product offerings. Our customers associate certain characteristics of our products, including the weight, feel, draw, flavor, packaging and other unique attributes, to the brands we market, distribute and sell. In the future, we may have difficulty obtaining the products we need from our suppliers as a result of unexpected demand or production difficulties that might extend lead times. Also, products may not be available to us in quantities sufficient to meet our customer demand. Any interruption in supply and/or consistency of these products may adversely impact our ability to deliver products to our customers, may harm our relationships and reputation with our customers, and may have a material adverse effect on our business, results of operations and financial condition.

A significant percentage of our revenue is dependent on sales of products from a relatively small number of key suppliers, and a decline in sales of products from these suppliers could materially harm our business.

A significant percentage of our revenue is dependent on sales of products, primarily vaporizers and related components, that we purchase from a small number of key suppliers, including PAX Labs and JUUL Labs. For example, products manufactured by PAX Labs represented approximately 15.6% and 29.4% of our net sales in the years ended December 31, 2018 and 2017, respectively, and products manufactured by JUUL Labs represented approximately 36.5% and 11.4% of our net sales in the years ended December 31, 2018 and 2017, respectively. A decline in sales of any of our key suppliers' products, whether due to decreases in supply of, or demand for, their products, termination of our agreements with them, regulatory actions or otherwise, could have a material adverse impact on our sales and earnings and adversely affect our business.

The FDA has recently expressed growing concern about the popularity among youth of the products of JUUL Labs and other manufactures of flavored ENDS products, and regulatory actions may impact our ability to sell these products in the United States or online.

On April 24, 2018, the FDA issued a letter to JUUL Labs requesting documents relating to marketing practices and research on marketing, effects of product design, public health impact, and adverse experiences and complaints related to JUUL products. All information for this request was to be received by the FDA no later than June 19, 2018. FDA Commissioner Scott Gottlieb, M.D. issued an FDA statement on April 24, 2018 announcing that the FDA has been conducting a large-scale, undercover nationwide action to crack down on the sale of e-cigarettes, specifically JUUL products, to minors at both brick-and-mortar and online retailers. The FDA indicated that this action had already revealed numerous violations of the law, and that as a result of these and other identified instances of the sale of JUUL products to minors, the FDA was issuing warning letters and civil penalties and fines. The FDA also advised that it had contacted retailers such as 7-Eleven, Circle K, AM/PM Arco, Walgreens and other national or regional stores regarding concerns about the sale of these products to minors and to online retailers, such as eBay, regarding concerns over listings of JUUL products on its website.

In the largest coordinated enforcement effort in the FDA's history, the agency subsequently issued more than 1,300 warning letters and civil fines to retailers who illegally sold JUUL and other e-cigarettes to minors during a nationwide, undercover blitz of brick-and-mortar and online stores. It has been widely reported that in October 2018, the FDA seized more than a thousand pages of documents from JUUL Labs related to its sales and marketing practices. The FDA also stated that it could remove their products from the market if JUUL Labs and its manufacturers fail to halt sales to minors. It also raised the possibility of civil or criminal charges if companies, such as JUUL Labs or its distributors and re-sellers, are allowing bulk sales through websites and other online purchases.

On November 15, 2018, the FDA issued a statement in which it announced that it is pursuing actions aimed at addressing the trend of increased use of combustible cigarette use among middle and high school students and released, together with the Centers from Disease Control and Prevention, a national youth tobacco survey, a study that shows a significant increase in the use by teenage children of e-cigarettes and other ENDS, such as the vaporizers sold by JUUL, as alternatives to cigarettes. In such statement, the FDA announced that it is directing the FDA's Center for Tobacco Products to revisit its compliance policy as it relates to ENDS products that are flavored, including all flavors other than tobacco, mint and menthol, and to implement changes that would protect teenagers by mandating that all flavored ENDS products (other than tobacco, mint and menthol) be sold only in age-restricted, in-person locations and, if sold on-line, only under heightened practices for age verification. In addition, it was announced that the FDA will pursue the removal from the market of those ENDS products that are marketed to children or are appealing to the youth market, including any products that use popular children's cartoon or animated characters, or are names of products that are names of products favored by children, such as brands of candy or soda. The FDA also announced its intention to advance a notice of proposed rulemaking that would seek to ban menthol in combustible tobacco products, including cigarettes and cigars.

On November 14, 2018, JUUL Labs announced that, in furtherance of its common goal with the FDA to prevent youth from initiating the use of nicotine, and in anticipation of the above FDA announcement, JUUL Labs plans to eliminate some of its social media accounts, including its U.S. social media accounts on Facebook and Instagram, and it has halted most retail sales of its flavored products in the United States as part of a plan to restrict the access of its products to youth. As part of its plan, JUUL Labs indicated it will temporarily stop selling most of its flavored JUUL pods in all retail stores in the United States, including convenience stores and vape shops, and will restrict sales to adults 21 and over on its secure website. JUUL Labs also indicated that it will start accepting orders for its flavored products only from retail stores and establishments that can legally sell flavors and can implement JUUL Lab's new restricted distribution system, which initially will designate flavored JUUL products as age restricted, require an electronic scan of a customer's government-issued identification card or license verifying the purchaser's age to be 21 or more for restricted JUUL products regardless of local laws and limit the quantity of items that can be purchased at one time to prevent bulk purchases.

We expect that our sales will be adversely impacted by the U.S. restriction of sales of flavored JUUL products, at least in the near term. Flavored products manufactured by JUUL Labs represented approximately 16.2% and 4.8% of our net sales for the years ended December 31, 2018 and 2017, respectively.

On March 13, 2019, the FDA issued a statement (i) proposing to end its current compliance policy as it relates to flavored ENDS products (other than tobacco-, mint-, and menthol-flavored), and (ii) stating its expectation that manufacturers of all flavored ENDS products (other than tobacco-, mint-, and menthol-flavored) that remain in the market will submit their premarket applications to the FDA demonstrating that such products meet the public health standard by August 8, 2021, which is one year earlier than previously required. Under this proposed policy, the FDA stated its intentions to withdraw its prior statement of intent not to enforce the premarket review requirements until August 2022, and to continue deferring enforcement while the ENDS product applications were pending review. The FDA also stated that it will prioritize its enforcement efforts to prevent the access and appeal of the flavored ENDS products to youth. Any regulatory action by the FDA that affects the sale or distribution of ENDS products may have a material adverse effect on our business, results of operations and financial condition.

We may be unable to identify or contract with new suppliers in the event of a disruption to our supply.

In the event of a disruption to our supply of products, we would have to identify new suppliers that can meet our needs. Only a limited number of suppliers may have the ability to produce certain products we sell at the volumes we need, and it could be costly or time-consuming to locate and approve such alternative sources. Moreover, it may be difficult or costly to find suppliers to produce small volumes of products in the event we are looking only to supplement our current supply as suppliers may impose minimum order requirements. In addition, we may be unable to negotiate pricing or other terms with our existing or new suppliers as favorable as those we currently enjoy. We cannot guarantee that a failure to adequately replace or supplement our existing suppliers would not have a material adverse effect on our business, results of operations and financial condition.

Demand for the products we distribute could decrease if the suppliers of these products were to sell a substantial amount of goods directly to consumers in the sectors we serve.

Retailers and consumers of vaporization products and consumption accessories have historically purchased certain amounts of these products directly from suppliers. If our customers were to increase their purchases of

products directly from suppliers, or if suppliers seek to increase their efforts to sell such products directly to consumers, we could experience a significant decrease in our business, results of operations and financial condition. These, or other developments that remove us from, or limit our role in, the distribution chain, may harm our competitive position in the marketplace and reduce our sales and earnings and adversely affect our business.

We are vulnerable to third party transportation risks.

We depend on fast and efficient shipping services to distribute our products. Any prolonged disruption of these services may have a material adverse effect on our business, financial condition and results of operations. Rising costs associated with transportation services used by us to receive or deliver our products, including tariffs, may also have a material adverse effect on our business, financial condition and results of operations.

We do not have long-term agreements or guaranteed price or delivery arrangements with most of our suppliers. The loss of a significant supplier would require us to rely more heavily on our other existing suppliers or to develop relationships with new suppliers. Such a loss may have an adverse effect on our product offerings and our business.

While we have exclusive long-term distribution agreements with certain of our suppliers, consistent with industry practice, we do not have guaranteed price or delivery arrangements with most of our suppliers. We generally make our purchases through purchase orders. As a result, we have experienced and may in the future experience inventory shortages or price increases on certain products. Furthermore, our industry occasionally experiences significant product supply shortages, and we sometimes experience customer order backlogs due to the inability of certain suppliers to make available to us certain products as needed. We cannot assure you that suppliers will maintain an adequate inventory of products to fulfill our orders on a timely basis, or at all, or that we will be able to obtain particular products on favorable terms, or at all. Additionally, we cannot assure you that product lines currently offered by suppliers will continue to be available to us. A decline in the supply or continued availability of the products of our suppliers, or a significant increase in the price of those products, could reduce our sales and negatively affect our operating results.

In addition, some of our suppliers have the ability to terminate their relationships with us at any time, or to decide to sell, or increase their sales of, their products through other resellers or channels. Although we believe there are numerous suppliers with the capacity to supply the products we distribute, the loss of one or more of our major suppliers could have an adverse effect on our product offerings and our business. Such a loss would require us to rely more heavily on our other existing suppliers, develop relationships with new suppliers or undertake our own manufacturing, which may cause us to pay higher prices for products due to, among other things, a loss of volume discount benefits currently obtained from our major suppliers. Any termination, interruption or adverse modification of our relationship with a key supplier or a significant number of other suppliers would likely adversely affect our operating income, cash flow and future prospects.

Our payments system and the payment systems of our customers depend on third-party providers and are subject to evolving laws and regulations.

We and our retail customers have engaged third-party service providers to perform underlying credit and debit card processing, currency exchange, identity verification and fraud analysis services. If these service providers do not perform adequately or if our relationships, or the relationships of our retail customers with these service providers were to terminate, our ability or the ability of such retail customers to process payments could be adversely affected and our business would be harmed.

The laws and regulations related to payments are complex and are potentially impacted by tensions between federal and state treatment of the vaporization, tobacco, nicotine and cannabis industries. These laws and regulations also vary across different jurisdictions in the United States, Canada and globally. As a result, we are required to spend significant time and effort to comply with those laws and regulations. Any failure or claim of our failure to comply, or any failure by our third-party service providers to comply, could cost us substantial resources, could result in liabilities, or could force us to stop offering our customers the ability to pay with credit cards, debit cards and bank transfers. As we expand the availability of these payment methods or offer new payment methods to our customers in the future, we may become subject to additional regulations and compliance requirements.

Further, through our agreement with our third-party credit card processors, we are indirectly subject to payment card association operating rules and certification requirements, including restrictions on product mix and

the Payment Card Industry Data Security Standard, 02 PCIDSS. We also are subject to rules governing electronic funds transfers. Any change in these rules and requirements could make it difficult or impossible for us to comply.

Due to our acceptance of credit cards in our e-commerce business, we are subject to the Payment Card Industry Data Security Standard, designed to protect the information of credit card users. We have had a security incident in the past which we do not believe reached the level of a breach that would be reportable under state laws or our other obligations; however there can be no assurance that our determination was correct. In the event our determination is challenged and found to have been incorrect, we may be subject to claims by one or more state attorneys general, federal regulators, or private plaintiffs and we may additionally be subject to claims or fines from credit associations.

We are subject to certain U.S. federal regulations relating to cash reporting.

The U.S. Bank Secrecy Act, enforced by the Financial Crimes Enforcement Network ("FinCEN"), a division of the U.S. Department of the Treasury, requires a party in trade or business to file with the U.S. Internal Revenue Service (the "IRS") a Form 8300 report within 15 days of receiving a cash payment of over $10,000. While we receive very few cash payments for the products we sell, if we fail to comply with these laws and regulations, the imposition of a substantial penalty could have a material adverse effect on our business, results of operations and financial condition.

If we fail to maintain proper inventory levels, our business could be harmed.

We purchase key products from suppliers prior to the time we receive purchase orders from customers. We do this to minimize purchasing costs, the time necessary to fill customer orders, and the risk of non-delivery. However, we may be unable to sell the products we have purchased in advance. Inventory levels in excess of customer demand may result in inventory write-downs, and the sale of excess inventory at discounted prices could significantly impair our brand image and have a material adverse effect on our business, results of operations and financial condition. Conversely, if we underestimate demand for our products or if we fail to acquire the products that we require at the time we need them, we may experience inventory shortages. Inventory shortages might delay shipments to customers, reduce revenue, negatively impact customer relationships and diminish brand loyalty, which in turn could have a material adverse effect on our business, results of operations and financial condition.

Certain of our suppliers provide us with incentives and other assistance that reduce our operating costs, and any decline in these incentives and other assistance could materially harm our operating results.

Certain of our suppliers, including PAX Labs, provide us with trade credit or substantial incentives in the form of discounts, credits and cooperative advertising, among other benefits. We have agreements with many of our suppliers under which they provide us, or they have otherwise consistently provided us, with market price discounts to subsidize portions of our advertising, marketing and distribution costs based upon the amount of coverage we give to their respective products in our catalogs or other advertising and marketing mediums. Any termination or interruption of our relationships with one or more of these suppliers, or modification of the terms or discontinuance of our agreements or arrangements with these suppliers, could adversely affect our operating income and cash flow. For example, the incentives we receive from a particular supplier may be impacted by a number of events outside of our control, including acquisitions, divestitures, management changes or economic pressures affecting such supplier, any of which could materially affect or eliminate the incentives we receive from such supplier.

Our success is dependent in part upon our ability to distribute popular products from new suppliers, as well as the ability of our existing suppliers to develop and market products that meet changes in market demand or regulatory requirements.

Many of the products we sell are generally subject to rapid changes in marketplace demand or regulatory requirements. Our success is dependent, in part, upon the ability of our suppliers to develop and market products that meet these changes. Our success is also dependent on our ability to develop relationships with and sell products from new suppliers that address these changes in market demand or regulatory requirements. To the extent products that address recent changes are not available to us, or are not available to us in sufficient quantities or on acceptable terms, we could encounter increased competition, which would likely adversely affect our business, results of operations and financial condition.

We may not be able to maintain existing supplier relationships or exclusive distributor status with our suppliers, which may affect our ability to offer a broad selection of products at competitive prices and negatively impact our results of operations.

We purchase products for resale both directly from manufacturers and, on occasion, from other sources, all of whom we consider our suppliers. We also maintain certain exclusive relationships with several of our suppliers, which provide us with exclusive rights to distribute their products in certain geographic areas or sales channels, preferred pricing, training, support, preferred access and other significant benefits. In some cases, suppliers require us to meet certain minimum standards in order to retain these qualifications and our exclusive distributor status. If we do not maintain our existing relationships or exclusive distributor status, or if we fail to build new relationships with suppliers on acceptable terms, including our exclusive distribution rights, favorable pricing, manufacturer incentives or reseller qualifications, we may not be able to offer a broad selection of products or continue to offer products from these suppliers at competitive prices, or at all. From time to time, suppliers may be acquired by other companies, terminate our right to sell some or all of their products, modify or terminate our exclusive distributor or qualification status, change the applicable terms and conditions of sale or reduce or discontinue the incentives or supplier consideration that they offer us. Any termination or reduction of our exclusive distributor status with any of our major suppliers, or our failure to build new supplier relationships, could have a negative impact on our operating results. Further, some products may be subject to allocation by the supplier, which could limit the number of units of those products that are available to us and may adversely affect our operating results.

We do not have long-term contracts with most of our customers. The agreements that we do have generally do not commit our customers to any minimum purchase volume. The loss of a significant customer may have a material adverse effect on us.

Our customers generally place orders on an as-needed basis. Consistent with industry practice, we do not have long-term contracts with most of our customers, other than certain retail chains in Canada. In addition, our agreements generally do not commit our customers to any minimum purchase volume. Accordingly, we are exposed to risks from potential adverse financial conditions in the vaporization products and consumption accessories industry, a potentially shifting legal landscape, the general economy, a competitive landscape, a changing technological landscape or changing customer needs or any other change that may affect the demand for our products. We cannot assure you that our customers will continue to place orders with us in similar volumes, on the same terms, or at all. Our customers may terminate their relationships with us or reduce their purchasing volume at any time. Our ten largest customers, in the aggregate, represented approximately 13.0% and 10.9% of our net sales for the years ended December 31, 2018 and 2017, respectively. The loss of a significant number of customers, or a substantial decrease in a significant customer's orders, may have an adverse effect on our revenue.

Changes in our customer, product or competition mix could cause our product margin to fluctuate.

From time to time, we may experience changes in our customer mix, our product mix or our competition mix. Changes in our customer mix may result from geographic expansion or contractions, legislative or enforcement priority changes affecting the products we distribute, selling activities within current geographic markets and targeted selling activities to new customer sectors. Changes in our product mix may result from marketing activities to existing customers, the needs communicated to us from existing and prospective customers and from legislative changes. Changes in our competition mix may result from well-financed competitors entering into our business segment. If customer demand for lower-margin products increases and demand for higher-margin products decreases, our business, results of operations and financial condition may suffer.

Because a majority of our revenues are derived from sales to consumers indirectly through third-party retailers who operate traditional brick-and-mortar locations, the shift of sales to more online retail business could harm our market share and our revenues in certain sectors.

Our current B2B model includes selling our products through third-party retailers. These third-party retailers operate physical brick-and-mortar locations to sell our product to consumers. The current shift in purchasing demographics due to the changing preferences of consumers who are moving from in-store purchases of goods to online purchases creates the additional risks of our current revenue streams being impacted negatively and an overall decrease of market share.

Further, laws in some jurisdictions in which we operate could make collection of receivables difficult, time consuming or expensive. We generally do not require collateral in support of our trade receivables. While we maintain reserves for expected credit losses, we cannot assure these reserves will be sufficient to meet write-offs of uncollectible receivables or that our losses from such receivables will be consistent with our historical performance. Significant write-offs may affect our business, results of operations and financial condition. As we begin selling our products indirectly through large retailers, customer credit risks will expand.

Our ability to distribute certain licensed brands and to use or license certain trademarks may be terminated or not renewed.

We are reliant upon brand recognition in the markets in which we compete, as the industry is characterized by a high degree of brand loyalty and a reluctance of consumers to switch to substitute or unrecognizable brands. Some of the brands we distribute and the trademarks under which products are sold are licensed for a fixed period of time with regard to specified markets.

In the event that the licenses to use the brand names and trademarks for the products we distribute are terminated or are not renewed after the end of the term, there is no guarantee we or our suppliers will be able to find suitable replacement brands or trademarks, or that if a replacement is found, that it will be on favorable terms. Any loss in brand-name appeal to our existing customers as a result of the lapse or termination of our licenses or the licenses of our suppliers could have a material adverse effect on our business, results of operations and financial condition.

We may not be successful in maintaining the consumer brand recognition and loyalty of our products.

We compete in a market that relies on innovation and the ability to react to evolving consumer preferences. The vaporization products and consumption accessories industry, as well as the nicotine industries, are subject to changing consumer trends, demands and preferences. Therefore, products once favored may, over time, become disfavored by consumers or no longer perceived as the best option. Consumers in the vaporizer market have demonstrated a degree of brand loyalty, but suppliers must continue to adapt their products in order to maintain their status among customers as the market evolves. Our continued success depends in part on our ability and our supplier's ability to continue to differentiate the brand names we represent, own or license and maintain similarly high levels of recognition with target consumers. Trends within the vaporization products and consumption accessories industry change often and our failure to anticipate, identify or react to changes in these trends could, among other things, lead to reduced demand for our products. Factors that may affect consumer perception of our products include health trends and attention to health concerns associated with tobacco, nicotine, herbs, cannabis or other materials used with vaporizers, price-sensitivity in the presence of competitors' products or substitute products and trends in favor of new vaporization products or technology consumption accessories products that are currently being researched and produced by participants in our industry. For example, in recent years, we have witnessed a shift in consumer purchases from vaporizers designed for dry herbs to those utilizing cartridges containing liquids or wax type concentrates. A failure to react to similar trends in the future could enable our competitors to grow or establish their brands' market share in these categories before we have a chance to respond.

Regulations may be amended or enacted in the future that would make it more difficult to appeal to consumers or to leverage the brands that we distribute, own or license. Furthermore, even if we are able to continue to distinguish our products, there can be no assurance that the sales, marketing and distribution efforts of our competitors will not be successful in persuading consumers of our products to switch to their products. Some of our competitors have greater access to resources than we do, which better positions them to conduct market research in relation to branding strategies or costly marketing campaigns. Any loss of consumer brand loyalty to our products or in our ability to effectively brand our products in a recognizable way will have a material effect on our ability to continue to sell our products and maintain our market share, which could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to establish sustainable relationships with large retailers or national chains.

We expect to increase sales volume by establishing relationships with large retailers and national chains, particularly in Canada. In connection therewith, we may have to pay slotting fees based on the number of stores in which our products will be carried. We may not be able to develop these relationships or continue to maintain

relationships with large retailers or national chains. Our inability to develop and sustain relationships with large retailers and national chains may impede our ability to develop brand and product recognition and increase sales volume and, ultimately, require us to continue to rely on local and more fragmented sales channels, which may have a material adverse effect on our business, results of operations and financial condition. In addition, if we are unable to develop or maintain relationships with large retailers and national chains and such large retailers or national chains take market share from the smaller local and more fragmented sales channels, our business, results of operations and financial condition will be adversely impacted.

New products face intense media attention and public pressure.

Many of our vaporizers and other products, including our recently-introduced line of premium products containing hemp-derived CBD, are new to the marketplace. Since their introduction, certain members of the media, politicians, government regulators and advocacy groups, including independent doctors, have called for stringent regulation of the sale of certain of such products and in some cases, an outright ban of such products pending increased regulatory review and a further demonstration of safety. A ban of this type would likely have the effect of terminating our sales and marketing efforts of certain products in jurisdictions in which we may currently market or have plans to market such products. Such a ban would also likely cause public confusion as to which products are the subject of bans, which confusion could also have a material adverse effect on our business, results of operations and financial condition.

Our success depends, in part, on the quality and safety of our products, as well as the perception of quality and safety in the vaporization products and consumption accessories industry generally.

Our success depends, in part, on the quality and safety of the products we sell, including manufacturing issues and unforeseen product misuse. Even a single incident of product defect or misuse, whether relating to products sold by us or just to our industry generally, could result in significant harm to our reputation. If any of our products are found to be, or are perceived to be, defective or unsafe, or if they otherwise fail to meet our customers' standards, our relationship with our customers could suffer, our reputation or the appeal of our brands could be diminished, and we could lose market share and or become subject to liability claims, any of which could result in a material adverse effect on our business, results of operations and financial condition.

Damage to our reputation, or that of any of our key suppliers or their brands, could affect our business performance.

The success of our business depends in part upon the positive image that consumers have of the third-party brands we distribute. Incidents, publicity or events arising accidentally or through deliberate third-party action that harm the integrity or consumer support of our products could affect the demand for our products. Unfavorable media, whether accurate or not, related to our industry, to us, to our customers, or to the products we sell could negatively affect our corporate reputation, stock price, ability to attract high-quality talent, or the performance of our business. Negative publicity or commentary on social media outlets also could cause consumers to react rapidly by avoiding our products and brands or by choosing brands offered by our competitors, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to substantial and increasing regulation regarding the tobacco industry.

The tobacco industry, of which some of our vaporizer products are deemed to be a part, has been under public scrutiny for many years. Industry critics include special interest groups, the U.S. Surgeon General and many legislators and regulators at the state, federal and provincial levels. A wide variety of federal, state or provincial and local laws limit the advertising, sale and use of tobacco and these laws have proliferated in recent years. Together with changing public attitudes towards tobacco and nicotine consumption, the constant expansion of regulations has been a major cause of the overall decline in the consumption of tobacco products since the early 1970s. These regulations relate to, among other things, the importation of tobacco products and shipping throughout the North American market, increases in the minimum age to purchase tobacco products, imposition of taxes, sampling and advertising bans or restrictions, flavor bans or restrictions, ingredient and constituent disclosure requirements and media campaigns and restrictions on where tobacco can be consumed. Additional restrictions may be legislatively imposed or agreed to in the future. These limitations may make it difficult for us to maintain the sales levels of our regulated vaporizer products.

Moreover, the current trend is toward increasing regulation of the tobacco industry, which is likely to differ between the various U.S. states and Canadian provinces in which we currently conduct business. Extensive

and inconsistent regulation by multiple states or provinces and at different governmental levels could prove to be particularly disruptive to our business as well, as we may be unable to accommodate such regulations in a cost-effective manner that will allow us to continue to compete in an economically viable way. Tobacco regulations are often introduced without the tobacco industry's input and have been a significant reason behind reduced sales volumes and increased illicit trade in the tobacco industry. Such regulations also may impact our sales volumes to the extent they apply to the vaporizer products we sell.

On June 22, 2009, the Family Smoking Prevention and Tobacco Control Act (the "Tobacco Control Act") authorized the FDA to regulate the tobacco industry and amended the Federal Cigarette Labeling and Advertising Act, which governs how cigarettes can be advertised and marketed. In addition to the FDA, we are subject to regulation by numerous other federal agencies, including the Federal Trade Commission, the Alcohol and Tobacco Tax and Trade Bureau, the Federal Communications Commission, the U.S. Environmental Protection Agency, the U.S. Department of Agriculture, U.S. Customs and Border Protection and the U.S. Center for Disease Control and Prevention's Office on Smoking and Health. There have also been adverse legislative and political decisions and other unfavorable developments concerning cigarette smoking and the tobacco industry, which have received widespread public attention. There can be no assurance as to the ultimate content, timing or effect of any regulation of tobacco or nicotine products by governmental bodies, nor can there be any assurance that potential corresponding declines in demand resulting from negative media attention would not have a material adverse effect on our business, results of operations and financial condition.

There is uncertainty related to the regulation of vaporization products and certain other consumption accessories. Increased regulatory compliance burdens could have a material adverse impact on our business development efforts and our operations.

United States

There is uncertainty regarding whether, in what circumstances, how and when the FDA will seek to enforce regulations under the Tobacco Control Act relative to vaporizer hardware and accessories that can be used to vaporize cannabis and other material, including electronic cigarettes, rolling papers and glassware, in light of the potential for dual use with tobacco.

The Tobacco Control Act, enacted in 2009, established, by statute, that the FDA has oversight over specific types of tobacco products (cigarettes, cigarette tobacco, roll-your-own ("RYO") tobacco, and smokeless tobacco) and granted the FDA the authority to "deem" other types of tobacco products as subject to the statutory requirements. In addition to establishing authority, defining key terminology, and setting adulteration and misbranding standards, the Tobacco Control Act established authority over tobacco products in a number of areas such as: submission of health information to the FDA; registration with the FDA; requirements prior to marketing products; good manufacturing practice requirements; tobacco product standards; notification, recall, corrections, and removals; records and reports; marketing considerations and restrictions; post-market surveillance and studies; labeling and warnings; and recordkeeping and tracking.

In December 2010, the U.S. Court of Appeals for the D.C. Circuit held that the FDA is permitted to regulate vaporizer devices containing tobacco-derived nicotine as "tobacco products" under the Tobacco Control Act.

In a final rule effective August 8, 2016, the FDA "deemed" all products that meet the Tobacco Control Act's definition of "tobacco product," including components and parts but excluding accessories of the newly deemed products, to be subjected to the tobacco control requirements of the Food, Drug, and Cosmetic Act and the FDA's implementing regulations. This includes among other things: products such as electronic cigarettes, electronic cigars, electronic hookahs, vape pens, vaporizers and e-liquids and their components or parts (such as tanks, coils and batteries) ("ENDS").

The FDA's interpretation of components and parts of a tobacco product includes any assembly of materials intended or reasonably expected to be used with or for the human consumption of a tobacco product.

In a 2017 decision of the D.C. Circuit court, the court upheld the FDA's authority to regulate ENDS even though they do not actually contain tobacco, and even if the products could be used with nicotine-free e-liquids.

The Tobacco Control Act and implementing regulations restrict the way tobacco product manufacturers, retailers, and distributors can advertise and promote tobacco products, including a prohibition against free samples or the use of vending machines, requirements for presentation of warning information, and age verification of purchasers.

Newly-deemed tobacco products are also subject to the other requirements of the Tobacco Control Act, such as that they not be adulterated or misbranded. The FDA has been directed under the Tobacco Control Act to establish specific good manufacturing practice ("GMP") regulations for tobacco products, and could do so in the future, which could have a material adverse impact on the ability of some of our suppliers to manufacture, and the cost to manufacture, certain of our products. Even in the absence of specific GMP regulations, a facility's failure to maintain sanitary conditions or to prevent contamination of products could result in the FDA deeming the products produced there adulterated.

In light of the laws noted above, we anticipate that authorizations will be necessary in order for us to continue our distribution of certain vaporizer hardware and accessories that can be used to vaporize cannabis and other material. Tobacco Control Act compliance dates vary depending upon type of application submitted, but all newly-deemed products that were marketed before August 8, 2016 will require an application no later than August 8, 2021, for "combustible" products (e.g. cigar and pipe) and August 8, 2022, for "non-combustible" products (e.g. vapor products) with the exception of "grandfathered" products (products in commerce as of February 15, 2007) that are already authorized, unless the FDA grants extensions to these compliance periods. Since there were virtually no e-liquid, e-cigarettes or other vaping products on the market as of February 15, 2007, there is no way to utilize the less onerous substantial equivalence or substantial equivalence exemption pathways that traditional tobacco corporations can utilize. Products entering the market after August 8, 2016 are not covered by the FDA compliance policy described above, and will be subject to enforcement if marketed without authorization.

We expect our suppliers to timely file for the appropriate authorizations to allow us to sell their products in the United States. We have no assurances that the outcome of such processes will result in these products receiving marketing authorizations from the FDA. If the FDA establishes regulatory processes that our suppliers are unable or unwilling to comply with, our business, results of operations, financial condition and prospects could be adversely affected.

The anticipated costs to our suppliers of complying with future FDA regulations will be dependent on the rules issued by the FDA, the timing and clarity of any new rules or guidance documents accompanying these rules, the reliability and simplicity (or complexity) of the electronic systems utilized by the FDA for information and reports to be submitted, and the details required by the FDA for such information and reports with respect to each regulated product (which have yet to be issued by the FDA). Any failure to comply with existing or new FDA regulatory requirements could result in significant financial penalties to us or our suppliers, which could ultimately have a material adverse effect on our business, results of operations, financial condition and ability to market and sell our products. Compliance and related costs could be substantial and could significantly increase the costs of operating in the vaporization products and certain other consumption accessories markets.

In addition, failure to comply with the Tobacco Control Act and with FDA regulatory requirements could result in litigation, criminal convictions or significant financial penalties and could impair our ability to market and sell some of our vaporizer products. At present, we are not able to predict whether the Tobacco Control Act will impact our business to a greater degree than competitors in the industry, thus affecting our competitive position.

It has not been conclusively determined whether the Prevent All Cigarette Trafficking Act or the Federal Cigarette Labeling and Advertising Act currently apply to vaporization products and certain other consumption accessories. At the state level, over 25 states have implemented statewide regulations that prohibit vaping in public places. Some cities have also implemented more restrictive measures than their state counterparts, such as San Francisco, which in June 2018, approved a new ban on the sale of flavored tobacco products, including vaping liquids and menthol cigarettes. There may, in the future, also be increased regulation of additives in smokeless products and internet sales of vaporization products and certain other consumption accessories. The application of either or both of these federal laws, and of any new laws or regulations which may be adopted in the future at a state, provincial or local level, to vaporization products, consumption accessories or such additives could result

in additional expenses and require us to change our advertising and labeling, and methods of marketing and distribution of our products, any of which could have a material adverse effect on our business, results of operations and financial condition.

Canada

On May 23, 2018, the Tobacco and Vaping Products Act ("TVPA") became effective, and now governs the manufacture, sale, labeling and promotion of vaping products sold in Canada. The TVPA replaced the former Tobacco Act (Canada) and establishes a legislative framework that applies to vaping products, whether or not they contain nicotine. While the TVPA prescribes high-level requirements in relation to vaping products, the Government of Canada has yet to implement regulations that will ultimately address the standards, testing methods, reporting requirements, packaging and labeling requirements, and other obligations with which vaping products will be required to comply. Accordingly, absent any such regulations, there is a lack of visibility as to the specific compliance regime that will apply to vaping products in the future. As such, there can be no assurance that we will initially be in total compliance, remain competitive, or financially able to meet future requirements administered pursuant to the TVPA.

Prior to the TVPA becoming effective, Health Canada had taken the position that electronic smoking products (i.e., electronic products for the vaporization and administration of inhaled doses of nicotine, including electronic cigarettes, cigars, cigarillos and pipes, as well as cartridges of nicotine solutions and related products) fell within the scope of the Food and Drugs Act (Canada) ("Food and Drugs Act").

It is not presently clear what implications the enactment of the TVPA will have for Health Canada's role in authorizing vaping products, or on the degree to which it will remain subject to the provisions of Food and Drugs Act. Currently, vaping products with therapeutic or health-related claims are subject to the Food and Drugs Act and related regulations. Until regulations are published and enacted pursuant to the TVPA, a significant degree of uncertainty will remain with respect to compliance landscape for vaping products.

Some of the products we sell contain nicotine, which is considered to be a highly-addictive substance, or other chemicals that some jurisdictions have determined to cause cancer and birth defects or other reproductive harm.

Some of our products, like the JUUL nicotine vaporizers, contain nicotine, a chemical that is considered to be highly addictive. The Tobacco Control Act empowers the FDA to regulate the amount of nicotine found in tobacco products, but not to require the reduction of nicotine yields of a tobacco product to zero. In addition, the State of California has determined that some chemicals found in certain vaporizers cause cancer and birth defects or other reproductive harm. Federal, state or provincial regulations, whether of nicotine levels or other product attributes, may require us to reformulate, recall and/or discontinue certain of the products we may sell from time to time, which may have a material adverse effect on our ability to market our products and have a material adverse effect on our business, results of operations and financial condition.

Significant increases in state and local regulation of our vaporizer products have been proposed or enacted and are likely to continue to be proposed or enacted in numerous jurisdictions.

There has been increasing activity on the state, provincial and local levels with respect to scrutiny of vaporizer products. State and local governmental bodies across the United States have indicated that vaporization products and certain other consumption accessories may become subject to new laws and regulations at the state and local levels. For example, in January 2015, the California Department of Health declared electronic cigarettes and certain other vaporizer products a health threat that should be strictly regulated like tobacco products. Further, some states and cities, including the State of Iowa, have enacted regulations that require retailers to obtain a tobacco retail license in order to sell electronic cigarettes and vaporizer products. Many states, provinces and some cities have passed laws restricting the sale of electronic cigarettes and certain other vaporizer products. If one or more states or provinces from which we generate or anticipate generating significant sales of vaporizer products bring actions to prevent us from selling our vaporizer products unless we obtain certain licenses, approvals or permits, and if we are not able to obtain the necessary licenses, approvals or permits for financial reasons or otherwise and/or any such license, approval or permit is determined to be overly burdensome to us, then we may be required to cease sales and

distribution of our products to those states, which could have a material adverse effect on our business, results of operations and financial condition.

Certain states, provinces and cities have already restricted the use of electronic cigarettes and vaporizer products in smoke-free venues. Additional city, state, provincial or federal regulators, municipalities, local governments and private industry may enact rules and regulations restricting the use of electronic cigarettes and vaporizer products in those same places where cigarettes cannot be smoked. Because of these restrictions, our customers may reduce or otherwise cease using our vaporization products or certain other consumption accessories, which could have a material adverse effect on our business, results of operations and financial condition.

Certain provinces of Canada have passed or propose to pass legislation which will restrict the extent to which e-cigarettes, e-liquid and other vaping products may be displayed or sold. These regulations and future regulations could have a material adverse effect on our business, results of operations and financial condition.

Based on regulations surrounding health-related concerns related to the use of some of our vaporizer products, especially e-cigarettes and those used for tobacco and nicotine intake, possible new or increased taxes by government entities to reduce use of our products or to raise revenue, additional governmental regulations concerning the marketing, labeling, packaging or sale of some of our products, negative publicity resulting from actual or threatened legal actions against us or other companies in our industry, all may reduce demand for, or increase the cost of, certain of our products, which could adversely affect our profitability and ultimate success.

Our business depends partly on continued purchases by businesses and individuals selling or using cannabis pursuant to state laws in the United States or Canadian and provincial laws.

Because some of our B2C customers use some of the items that we sell to consume cannabis and some of our B2B customers operate in the legal national and state cannabis industry, our business depends partly on federal, state, provincial and local laws, regulations, guidelines and enforcement pertaining to cannabis. In both the United States and Canada, those factors are in flux.

United States

Currently, in the United States, 33 states and the District of Columbia permit some form of wholeplant cannabis cultivation, sales, and use for certain medical purposes (“medical states”). Ten of those states and the District of Columbia have also legalized cannabis for adults for non-medical purposes (sometime referred to as recreational use). Thirteen additional states have legalized low-tetrahydrocannabinol (“THC”)/high-cannabidiol (“CBD”) extracts for select medical conditions (“CBD states”). Several CBD states are considering legalizing medical cannabis, and several medical states may extend legalization to adult use.

The states’ cannabis programs have proliferated and grown even though the cultivation, sale and possession of cannabis is considered illegal under U.S. federal law. Under the CSA, cannabis is a Schedule I drug, meaning that the Drug Enforcement Administration recognizes no accepted medical use for cannabis, and the substance is considered illegal under federal law.

In an effort to provide guidance to U.S. Attorneys’ offices regarding the enforcement priorities associated with cannabis in the United States, the U.S. Department of Justice (the “DOJ”) has issued a series of memoranda detailing its suggested enforcement approach. During the administration of former President Obama, each memorandum acknowledged the DOJ’s authority to enforce the CSA in the face of state laws, but noted that the DOJ was more committed to using its limited investigative and prosecutorial resources to address the most significant threats associated with cannabis in the most effective, consistent, and rational way.

On August 29, 2013, the DOJ issued what came to be called the “Cole Memorandum,” which gave U.S. Attorneys the discretion not to prosecute federal cannabis cases that were otherwise compliant with applicable state law that had legalized medical or adult-use cannabis and that have implemented strong regulatory systems to control the cultivation, production, and distribution of cannabis. The eight federal priorities were preventing:

- The distribution of cannabis to minors;
- Revenue from the sale of cannabis from going to criminal enterprises, gangs, and cartels;

- The diversion of cannabis from states where it is legal under state law in some form to other states;
- State-authorized cannabis activities from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Violence and the use of firearms in the cultivation and distribution of cannabis;
- Drugged driving and exacerbation of other adverse public health consequences associated with cannabis use;
- Growing cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and
- Cannabis possession or use on federal property.

Accordingly, the Cole Memorandum provided lawful cannabis-related enterprises a tacit federal go-ahead in states with legal cannabis programs, provided that the state had adopted and was enforcing strict regulations and oversight of the medical or adult-use cannabis program in accordance with the specific directives of the Cole Memorandum.

On January 4, 2018, Attorney General Jeff Sessions issued a memorandum that rescinded previous DOJ guidance on the state-legal cannabis industry, including the Cole Memorandum. Attorney General Sessions wrote that the previous guidance on cannabis law enforcement was unnecessary, given the well-established principles governing federal prosecution that are already in place. As a result, federal prosecutors could and still can use their prosecutorial discretion to decide whether to prosecute even state-legal adult-use cannabis activities.

Since the Cole Memorandum was rescinded, however, U.S. Attorneys have taken no direct legal action against state law compliant entities. In addition, Attorney General Sessions resigned and left the DOJ. As a nominee, Attorney General William Barr testified before the U.S. Senate and wrote to Congress that, as Attorney General, he would not seek to prosecute cannabis companies that relied on the Cole Memorandum and are complying with state law.

Since December 2014, companies that are strictly complying with state *medical* cannabis laws have been protected against enforcement for that activity by an amendment (originally called the Rohrabacher-Blumenauer Amendment, now called the Joyce Amendment) to the Omnibus Spending Bill, which prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state level. Federal courts have interpreted the provision to bar the DOJ from prosecuting any person or entity in strict compliance with state medical cannabis laws.

While the protection of the Joyce Amendment prevents prosecutions, it does not make cannabis legal. Accordingly, if the protection expires, prosecutors could prosecute federally illegal activity that occurred within the statute of limitations even if the Rohrabacher/Joyce protection was in place when the illegal activity occurred. The protection of the Joyce Amendment depends on its continued inclusion in the federal omnibus spending bill, or in some other legislation, and entities' strict compliance with the state medical cannabis laws. That protection has been extended into 2019 through recent budget negotiations. While industry observers expect Congress to extend the protection in future Omnibus Spending Bills, there can be no assurance that it will do so.

Although several cannabis law reform bills are pending in the U.S. Congress, passage of any of them and ultimately the President's support and approval remain uncertain. President Trump has stated that he would support federal legislation that would defer to states that have legalized cannabis (in other words, if a state legalized cannabis, cannabis in that state would not be federally illegal after the point at which the state legalized it).

Significantly, however, the U.S. government recently changed the legal status of hemp and all of its derivatives, including hemp-based CBD. The Farm Bill, which was signed into law by President Trump on December 20, 2018 (Pub.L. 115-334), established a new framework for the regulation of hemp production (defined in the Farm Bill as Cannabis sativa L. with a THC concentration of not more than 0.3 percent on a dry weight basis) and extracts of hemp, including CBD. The law also removed hemp and extracts of hemp from the federal controlled substances schedules. The section of the Farm Bill establishing a framework for hemp production, however, makes clear explicitly that it does not affect or modify the United States Federal Food, Drug, and Cosmetic Act (the "FDCA"), section 351 of the Public Health Service Act (addressing the regulation of biological products), the authority of the Commissioner of the FDA under those laws, or the Commissioner's authority to regulate hemp production and sale under those laws.

Within hours of President Trump signing the Farm Bill, FDA Commissioner Scott Gottlieb issued a statement that any cannabis product, whether derived from hemp or otherwise, marketed with a disease claim (e.g., a claim of therapeutic benefit or disease prevention) must be approved by the FDA for its intended use through one of the drug approval pathways prior to it being introduced into interstate commerce. The Commissioner reiterated the FDA's position that introducing food or dietary supplements with added CBD (or THC), regardless of source, into interstate commerce is illegal under the FDCA. Although enforcement under the FDCA may be civil or criminal in nature, the FDA has thus far limited its recent enforcement against companies selling CBD products to warning letters alleging various violations of the FDCA, including that the products bear claims that render the products unapproved and misbranded new drugs, that CBD is excluded from the FDCA's definition of "dietary supplement," and that the FDCA prohibits the addition of CBD to food. The FDA also tested some of the products, and found that many did not contain the levels of CBD they claimed to contain, which could be the basis for a separate violation of the FDCA. In addition, some states have taken actions to restrict or prohibit the sale of CBD products under state law. Notably, the FDA could take similar action on products with THC if the federal government ever similarly legalized cannabis.

Until the U.S. Government changes the law with respect to cannabis, and particularly if Congress does not extend the protection of state medical cannabis programs, there is a risk that federal authorities could enforce current federal cannabis law. An increase in federal enforcement against companies licensed under state cannabis laws could negatively impact the state cannabis industries and, in turn, our revenues, profits, financial condition, and business model.

Canada

On December 13, 2016, the Task Force on Cannabis Legalization and Regulation, which was established by the Canadian Federal Government to seek input on the design of a new system to legalize, strictly regulate and restrict access to cannabis, published its report outlining its recommendations. On April 13, 2017, the Government of Canada introduced Bill C-45, which proposed the enactment of the *Cannabis Act* to legalize and regulate access to cannabis. The Cannabis Act proposed a strict legal framework for controlling the production, distribution, sale and possession of medical and recreational adult-use cannabis in Canada. On June 21, 2018, the Government of Canada announced that Bill C-45, received Royal Assent. On July 11, 2018, the Government of Canada published the Cannabis Regulations under the Cannabis Act. The Cannabis Regulations provide more detail on the medical and recreational regulatory regimes for cannabis, including regarding licensing, security clearances and physical security requirements, product practices, outdoor growing, security, packaging and labelling, cannabis-containing drugs, document retention requirements, reporting and disclosure requirements, the new access to cannabis for medical purposes regime and industrial hemp. The majority of the Cannabis Act and the Cannabis Regulations came into force on October 17, 2018.

While the Cannabis Act provides for the regulation by the federal government of, among other things, the commercial cultivation and processing of cannabis for recreational purposes, it provides the provinces and territories of Canada with the authority to regulate in respect of the other aspects of recreational cannabis, such as distribution, sale, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

The governments of every Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. In most provinces and territories, the minimum age is 19 years old, except for Québec and Alberta, where the minimum age is 18. Certain provinces, such as Ontario, have legislation in place that restricts the packaging of vapor products and the manner in which vapor products are displayed or promoted in stores.

The Cannabis Act is a new regime that has no close precedent in Canadian law. The effect of relevant governmental authorities' administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business, financial condition and results of operations.

The federal and state regulatory landscape regarding products containing CBD is uncertain and evolving, and new or changing laws or regulations relating to hemp and hemp-derived products could have a material adverse effect on our business, financial condition and results of operations.

We recently commenced distribution of premium products containing hemp-derived CBD. Although the Farm Bill removed hemp and its derivatives from the definition of "marijuana" under the CSA, uncertainties remain regarding the cultivation, sourcing, production and distribution of hemp and products containing hemp derivatives. Each state and the federal government has to develop and have approved its plans for overseeing hemp within its borders. The federal regulations implementing the Farm Bill must also be developed. While we believe our current operations comply with existing federal and state laws relating to hemp and hemp-derived products, we will have to quickly adapt our operations to comply with forthcoming and rapidly-shifting federal and state regulations. These regulations could require significant changes to our business, plans or operations concerning hemp-derived products, and could adversely affect our business, financial condition or results of operations.

Additionally, the FDA has indicated its view that certain types of products containing CBD may not be permissible under the FDCA. The FDA's position is related to its approval of Epidiolex, a marijuana-derived prescription medicine to be available in the United States. The active ingredient in Epidiolex is CBD. On December 20, 2018, after the passage of the Farm Bill, FDA Commissioner Scott Gottlieb issued a statement in which he reiterated the FDA's position that, among other things, the FDA requires a cannabis product (hemp-derived or otherwise) that is marketed with a claim of therapeutic benefit, or with any other disease claim, to be approved by the FDA for its intended use before it may be introduced into interstate commerce and that the FDCA prohibits introducing into interstate commerce food products containing added CBD, and marketing products containing CBD as a dietary supplement, regardless of whether the substances are hemp-derived. While we believe our existing and planned CBD product offerings comply with applicable laws, legal proceedings alleging violations of such laws could have a material adverse effect on our business, financial condition and results of operations.

We are subject to legislative uncertainty that could slow or halt the legalization and use of cannabis, which could negatively affect our business.

Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the state level, as well as the U.S. government's continued non-enforcement of federal cannabis laws against state-law-compliant cannabis businesses. Any number of factors could slow or halt progress in this area. Further, progress, while generally expected, is not assured. Some industry observers believe that well-funded interests, including businesses in the alcohol beverage and the pharmaceutical industries, may have a strong economic opposition to the continued legalization of cannabis. The pharmaceutical industry, for example, is well funded with a strong and experienced lobby that eclipses the funding of the medical cannabis movement. Any inroads legalization opponents could make in halting the impending cannabis industry could have a detrimental impact on our business. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of those factors could slow or halt the continued legalization and use of cannabis, which would negatively impact our business.

While we believe that our business and sales do not violate the Federal Paraphernalia Law, legal proceedings alleging violations of such law or changes in such law or interpretations thereof could adversely affect our business, financial condition or results of operations.

Under U.S. Code Title 21 Section 863 (the "Federal Paraphernalia Law"), the term "drug paraphernalia" means "any equipment, product or material of any kind which is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing, processing, preparing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance." That law exempts "(1) any person authorized by local, State, or Federal law to manufacture, possess, or distribute such items" and "(2) any item that, in the normal lawful course of business, is imported, exported, transported, or sold through the mail or by any other means, and traditionally intended for use with tobacco products, including any pipe, paper, or accessory." Any non-exempt drug paraphernalia offered or sold by any person in violation of the Federal Paraphernalia Law can be subject to seizure and forfeiture upon the conviction of such person for such violation, and a convicted person can be subject to fines under the Federal Paraphernalia Law and even imprisonment.

We believe our sales do not violate the Federal Paraphernalia Law in any material respect. First, we understand that substantially all of the products we offer and sell were and are not primarily intended or designed for any purpose not permitted by the Federal Paraphernalia Law. Indeed, most of the manufacturers whose products we sell disclaim that the products are for use with cannabis. Second, we restrict the sale of certain products — those that may have been primarily intended or designed for use with cannabis, are not normally and lawfully used with or as tobacco or nicotine products, but seem to have grown in popularity by consumers of cannabis sold in the state regulated industry — to comply with the Federal Paraphernalia Law's exemption for sales authorized by state law. In particular, we (a) do not sell those products at all into the six states that have maintained complete or near complete cannabis prohibition and (b) limit the sale of those products to licensed dispensaries and entities, such as licensed cultivators or manufacturers, and sell only to licensed dispensaries in the 11 states that authorize sales of cannabis paraphernalia only through state-licensed dispensaries. Third, we have been in business for many years without facing even threatened legal action under the Federal Paraphernalia Law.

While we believe that our business and sales are legally compliant with the Federal Paraphernalia Law in all material respects, any legal action commenced against us under such law could result in substantial costs and could have an adverse impact on our business, financial condition or results of operations. In addition, changes in cannabis laws or interpretations of such laws are difficult to predict, and could significantly affect our business.

Officials of the U.S. Customs and Border Protection agency ("CBP") have broad discretion regarding products imported into the United States, and the CBP has on occasion seized imported products on the basis that such products violate the Federal Paraphernalia Law. While we believe the products that we import do not violate such law, any such seizure of the products we sell could have a material adverse effect on our business operations or our results of operations.

Officials of the CBP have broad discretion regarding products imported into the United States. Individual shipments of certain imported products of the type we distribute have been detained or seized by the CBP for a variety of reasons, including because the CBP officials inspecting the goods believed such goods were marketed as drug paraphernalia and therefore violated the Federal Paraphernalia Law. Although suppliers or distributors of such products have successfully contested such actions of the CBP, such challenges are costly and time consuming. While we would disagree with any conclusion of the CBP that our product sales violate the Federal Paraphernalia Law, we cannot give any assurance that the CBP will not take similar seizure actions with respect to our goods, or that if the CBP seizes any of our goods that the CBP would not seek to impose penalties related to such imports. Should we elect to contest any such seizure, the costs of doing so could be substantial and there are no assurances we would prevail in a contested proceeding, and the cost and/or results of any such contest could adversely impact our business, financial condition or results of operations. Additionally, if the CBP fails to release seized products, we may no longer be able to ensure a saleable supply of some of our products, which could have a material adverse impact on our business, financial condition and results of operations.

Because our business is dependent, in part, upon continued market acceptance of cannabis by consumers, any negative trends will adversely affect our business operations.

We are dependent on public support, continued market acceptance and the proliferation of consumers in the legal cannabis markets. While we believe that the market and opportunity in the space continue to grow, we cannot predict the future growth rate or size of the market. Any downturns in, or negative outlooks on, the cannabis industry may adversely affect our business and financial condition.

We and our customers may have difficulty accessing the service of banks, which may make it difficult for us and for them to sell our products.

Financial transactions involving proceeds generated by cannabis-related activities can form the basis for prosecution under the U.S. federal money laundering statutes, unlicensed money transmitter statutes and the U.S. Bank Secrecy Act. Guidance issued by FinCEN clarifies how financial institutions can provide services to cannabis-related businesses consistent with their obligations under the Bank Secrecy Act. Furthermore, since the rescission by U.S. Attorney General Jeff Sessions on January 4, 2018 of the Cole Memorandum, U.S. federal prosecutors have had greater discretion when determining whether to charge institutions or individuals with any of

the financial crimes described above based upon cannabis-related activity. As a result, given these risks and their own related disclosure requirements, some banks remain hesitant to offer banking services to cannabis-related businesses. Consequently, those businesses involved in the cannabis industry continue to encounter difficulty establishing banking relationships. While we do not presently have challenges with our banking relationships, should we have an inability to maintain our current bank accounts, or the inability of our more significant customers to maintain their current banking relationships, it would be difficult for us to operate our business, may increase our operating costs, could pose additional operational, logistical and security challenges and could result in our inability to implement our business plan.

Increases in tobacco-related taxes have been proposed or enacted and are likely to continue to be proposed or enacted in numerous jurisdictions.

Tobacco products, premium cigarette papers and tubes have long been subject to substantial federal, state, provincial and local excise taxes. Such taxes have frequently been increased or proposed to be increased, in some cases significantly, to fund various legislative initiatives or further disincentivize smoking. Since 1986, smokeless products have been subject to federal excise tax. Smokeless products are taxed by weight (in pounds or fractional parts thereof) manufactured or imported.

Since the State Children's Health Insurance Program ("S-CHIP") reauthorization in early 2009, which utilizes, among other things, taxes on tobacco products to fund health insurance coverage for children, increases in the federal excise tax have been substantial and have materially reduced sales in the RYO/make your own ("MYO") cigarette smoking products market, and also caused volume declines in other markets. Although the RYO/MYO cigarette smoking tobacco and related products market had been one of the fastest growing markets in the tobacco industry in the five years prior to 2009, the reauthorization of S-CHIP increased the federal excise tax on RYO tobacco from $1.10 to $24.78 per pound, and materially reduced the MYO cigarette smoking tobacco market in the United States. There have not been any increases announced since 2009, but we cannot guarantee that we will not be subject to further increases, nor whether any such increases will affect prices in a way that further deters consumers from purchasing certain of our products and/or affects our net revenues in a way that renders us unable to compete effectively.

In addition to federal excise taxes, every state and certain city and county governments have imposed substantial excise taxes on sales of tobacco products, and many have raised or proposed to raise excise taxes in recent years, including Arkansas, Kansas, Louisiana, Minnesota, Nevada, Ohio, Vermont, Oregon, Indiana, Kentucky and Rhode Island. Tax increases, depending on their parameters, may result in consumers switching between tobacco products or depress overall tobacco consumption, which is likely to result in declines in overall sales volumes in certain of our products.

Any future enactment of increases in federal, provincial or state excise taxes on our tobacco products or rulings that certain of our products should be categorized differently for excise tax purposes could adversely affect demand for our products and may result in consumers switching between tobacco products or a depression in overall tobacco consumption, which would have a material adverse effect on our business, results of operations and financial condition.

If our vaporizer products become subject to increased taxes it could adversely affect our business.

Supply to our customers is sensitive to increased sales taxes and economic conditions affecting their disposable income. Discretionary consumer purchases, such as of vaporization products and consumption accessories, may decline during recessionary periods or at other times when disposable income is lower and taxes may be higher.

Presently, the sale of vaporization products and certain other consumption accessories is, in certain jurisdictions, subject to federal, state, provincial and local excise taxes like the sale of conventional cigarettes or other tobacco products, all of which generally have high tax rates and have faced significant increases in the amount of taxes collected on their sales. Other jurisdictions are contemplating similar legislation and other restrictions on electronic cigarettes and certain other vaporizer products. Should federal, state, provincial and local governments and/or other taxing authorities begin or continue to impose excise taxes similar to those levied against conventional cigarettes and tobacco products on vaporization products or consumption accessories, it may have a material adverse

effect on the demand for those products, as consumers may be unwilling to pay the increased costs, which in turn could have a material adverse effect on our business, results of operations and financial condition.

We may become involved in regulatory or agency proceedings, investigations and audits.

Our business, and the business of the suppliers from which we acquire the products we sell, requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject us or such suppliers to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. We or such suppliers may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm our reputation or the reputations of the brands that we sell, require us to take, or refrain from taking, actions that could harm our operations or require us to pay substantial amounts of money, harming our financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on our business, financial condition and results of operations.

We may be subject to increasing international control and regulation.

The World Health Organization's Framework Convention on Tobacco Control ("FCTC") is the first international public health treaty that establishes a global agenda to reduce initiation of tobacco use and regulate tobacco in an effort to encourage tobacco cessation. Over 170 governments worldwide have ratified the FCTC, including Canada. The FCTC has led to increased efforts to reduce the supply of and demand for tobacco products and to encourage governments to further regulate the tobacco industry. The tobacco industry and others expect significant regulatory developments to take place over the next few years, driven principally by the FCTC.

If the United States becomes a signatory to the FCTC and/or national laws are enacted in the United States that reflect the major elements of the FCTC, our business, results of operations and financial condition could be materially and adversely affected. In addition, if any of our vaporization products or consumption accessories become subject to one or more of the significant regulatory initiatives proposed under the FCTC or any other international treaty, our business, results of operations and financial condition may also be materially adversely affected.

We currently distribute in select international markets and as part of our strategy, we anticipate further international expansions. Future expansions may subject us to additional or increasing international regulation, either by that country's legal requirements or through international regulatory regimes, such as the FCTC, to which those countries may be signatories.

Some Canadian provinces have restricted sales and marketing of electronic cigarettes, and other provinces are in the process of passing similar legislation. Furthermore, some Canadian provinces have limited the use of vaporizer products and electronic cigarettes in public places. As a result, we are unable to market these products in the relevant parts of Canada. These measures, and any future measures taken to limit the marketing, sale and use of vaporization products or other consumption accessories may have a material adverse effect on our business, results of operations and financial condition.

To the extent our existing or future products become subject to international regulatory regimes that we are unable to comply with or fail to comply with, they may have a material adverse effect on our business, results of operations and financial condition.

We face intense competition and may fail to compete effectively.

The vaporization products and consumption accessories industry is characterized by brand recognition and loyalty, with product quality features, price, marketing and packaging constituting the primary methods of competition. Substantial marketing support, merchandising display, competitive pricing and other financial incentives generally are required to introduce a new brand or to improve or maintain a brand's market position. Our principal competitors may be significantly larger than us and aggressively seek to limit the distribution or sale of our products.

Competition in the vaporization products and consumption accessories industry is particularly intense, and the market is highly fragmented. In addition, some competitors still have the ability to access sales channels through the mail, which is no longer available to us and may place us at a competitive disadvantage.

"Big tobacco" is continuing to establish its presence in the vaporization products and consumption accessories market. There can be no assurance that our products will be able to compete successfully against these companies or any of our other competitors, some of which have far greater resources, capital, experience, market penetration, sales and distribution channels than us. In addition, if large online retailers such as Amazon establish their presence in the vaporization products and consumption accessories market, our B2C internet business may be harmed. Competitors, including "big tobacco" and large online retailers, may also have more resources than us for advertising, which could have a material adverse effect on our ability to build and maintain market share, and thus have a material adverse effect on our business, results of operations and financial condition.

Our narrow margins may magnify the impact of variations in operating costs and of adverse or unforeseen events on operating results.

We are subject to intense price competition. As a result, our gross and operating margins have historically been narrow, and we expect them to continue to be narrow. Narrow margins magnify the impact of variations in operating costs and of gross margin and of unforeseen adverse events on operating results. Future increases in costs, such as the cost of merchandise, wage levels, shipping rates, import duties and fuel costs, may negatively impact our margins and profitability. We are not always able to raise the sales price to offset cost increases or to effect increased operating efficiencies in response to increasing costs. If we are unable to maintain our margins in the future, it could have a material adverse effect on our business, results of operations and financial condition. If we become subject to increased price competition in the future, we cannot assure you that we will not lose market share, that we will not be forced to reduce our prices and further reduce our margins, or that we will be able to compete effectively.

Additionally, promotional activities can significantly increase net sales in the periods in which it is initiated and net sales can be adversely impacted in the periods after a promotion. Accordingly, based upon the timing of our marketing and promotional initiatives, we have and may continue to experience significant variability in our month-to-month results, which could affect our ability to formulate strategies that allow us to maintain our market presence across volatile months. If our monthly sales fluctuations obscure our ability to track important trends in our key markets, it may have a material adverse effect on our business, results of operations and financial condition.

We experience variability in our net sales and net income on a quarterly basis as a result of many factors.

We experience variability in our net sales and net income on a quarterly basis as a result of many factors. These factors include:

- the relative mix of vaporization products and consumption accessories sold during the period;
- the general economic environment and competitive conditions, such as pricing;
- the timing of procurement cycles by our customers;
- seasonality in customer spending and demand for products we provide;
- variability in supplier programs;
- the introduction of new and upgraded products;
- changes in prices from our suppliers;
- trade show attendance;
- promotions;
- the loss or consolidation of significant suppliers or customers;

- our ability to control costs;
- the timing of our capital expenditures;
- the condition of our industry in general;
- any inability on our part to obtain adequate quantities of products;
- delays in the release by suppliers of new products and inventory adjustments;
- delays in the release of imported products by customs authorities;
- our expenditures on new business ventures and acquisitions;
- performance of acquired businesses;
- adverse weather conditions that affect supply or customer response;
- distribution or shipping to our customers; and
- geopolitical events.

Our planned operating expenditures each quarter are based on sales forecasts for the quarter. If our sales do not meet expectations in any given quarter, our operating results for the quarter may be materially adversely affected. Our narrow margins may magnify the impact of these factors on our operating results. We believe that period-to-period comparisons of our operating results are not necessarily a good indication of our future performance. In addition, our results in any quarterly period are not necessarily indicative of results to be expected for a full fiscal year. In future quarters, our operating results may be below the expectations of public market analysts or investors and, as a result, the market price of our Class A common stock could be materially adversely affected.

Product defects could increase our expenses, damage our reputation or expose us to liability.

We may not be able to adequately address product defects. Product defects in vaporizers and other accessories may harm the health or safety of our end-consumers. In addition, remedial efforts could be particularly time-consuming and expensive if product defects are only found after we have sold the defective product in volume. Any actual or perceived defects in our products could result in unsold inventory, product recalls, repairs or replacements, damage to our reputation, increased customer service costs and other expenses, as well as divert management attention and expose us to liabilities. Furthermore, a product liability claim brought against us by our customers or end-consumers could be time-consuming and costly to defend and, if successful, could require us to make significant payments.

Contamination of, or damage to, our products could adversely impact sales volume, market share and profitability.

Our market position may be affected through the contamination of our products, as well as the material used during the manufacturing processes of the products we sell, or at different points in the entire supply chain. We keep significant amounts of inventory of our products in warehouses and it is possible that this inventory could become contaminated prior to arrival at our premises or during the storage period. If contamination of our inventory or packaged products occurs, whether as a result of a failure in quality control by us or by one of our suppliers, we may incur significant costs in replacing the inventory and recalling products. We may be unable to meet customer demand and may lose customers who purchase alternative brands or products. In addition, consumers may lose confidence in the affected product.

Under the terms of our contracts, we generally impose requirements on our suppliers to maintain quality and comply with product specifications and requirements, and with all federal, state and local laws. Our suppliers, however, may not continue to produce products that are consistent with our standards or that are in compliance with applicable laws, and we cannot guarantee that we will be able to identify instances in which our suppliers fail to comply with our standards or applicable laws. A loss of sales volume from a contamination event may occur, and such a loss may affect our ability to supply our current customers and to recapture their business in the

event they are forced to switch products or brands, even if on a temporary basis. We may also be subject to legal action as a result of a contamination, which could result in negative publicity and affect our sales. During this time, our competitors may benefit from an increased market share that could be difficult and costly to regain. Such a contamination event could have a material adverse effect on our business, results of operations and financial condition.

We may not have adequate insurance for potential liabilities, including liabilities arising from litigation.

In the ordinary course of business, we have and in the future may become the subject of various claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, the products we distribute, our employees and other matters, including potential claims by individuals alleging exposure to hazardous materials as a result of the products we distribute. Some of these claims may relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of the businesses. The products we distribute may contain lithium ion or similar type batteries that can explode or release hazardous substances. In addition, defects in the products we distribute could result in death, personal injury, property damage, pollution, release of hazardous substances or damage to equipment and facilities. Actual or claimed defects in the products we distribute may give rise to claims against us for losses and expose us to claims for damages.

We maintain insurance to cover certain of our potential losses, and we are subject to various self-retentions, deductibles and caps under our insurance. We face the following risks with respect to our insurance coverage:

- we may not be able to continue to obtain insurance on commercially reasonable terms;
- we may incur losses from interruption of our business that exceed our insurance coverage;
- we may be faced with types of liabilities that will not be covered by our insurance;
- our insurance carriers may not be able to meet their obligations under the policies; or
- the dollar amount of any liabilities may exceed our policy limits.

Even a partially uninsured claim, if successful and of significant size, could have a material adverse effect on us. Finally, even in cases where we maintain insurance coverage, our insurers may raise various objections and exceptions to coverage that could make uncertain the timing and amount of any possible insurance recovery.

Due to our position in the supply chain of vaporization products and consumption accessories, we are subject to personal injury, product liability and environmental claims involving allegedly defective products.

Our customers use certain products we distribute in potentially hazardous applications that can result in personal injury, product liability and environmental claims. A catastrophic occurrence at a location at which consumers use the products we distribute may result in our company being named as a defendant in lawsuits asserting potentially large claims, even though we did not manufacture such products or even if such products were not used in the manner recommended by the manufacturer. Applicable law may render us liable for damages without regard to negligence or fault. Certain of these risks are reduced by the fact that we are a distributor of products that third-party manufacturers produce, and, thus, in certain circumstances, we may have third-party warranty or other claims against the manufacturer of products alleged to have been defective. However, there is no assurance that these claims could fully protect us or that the manufacturer would be financially able to provide protection. There is no assurance that our insurance coverage will be adequate to cover the underlying claims. Our insurance does not provide coverage for all liabilities (including liability for certain events involving pollution or other environmental claims).

We may become subject to significant product liability litigation.

The tobacco industry has experienced and continues to experience significant product liability litigation. As a result of their relative novelty, electronic cigarette, vaporizer product and other consumption product manufacturers, suppliers, distributors and sellers have only recently become subject to litigation. While we have

not been a party to any product liability litigation, several lawsuits have been brought against other manufacturers and sellers of smokeless products for injuries to health allegedly caused by use of smokeless products. We may be subject to similar claims in the future relating to our vaporizer products. We may also be named as a defendant in product liability litigation against one of our suppliers by association, including in class action lawsuits. In addition, we may see increasing litigation over our vaporizer products or the regulation of our products as the regulatory regimes surrounding these products develop. In February 2015, for example, the Center for Environmental Health, a public interest group in California, filed an action against vaporizer marketers alleging a violation of California's Proposition 65 ("Prop 65"). Prop 65 requires the State of California to identify chemicals that could cause cancer, birth defects, or reproductive harm, and businesses selling products in California are then required to warn consumers of any possible exposure to the chemicals on the list. The basis for the action brought by the Center for Environmental Health is the reproductive harm associated with nicotine. Although we are not aware of an instance in which we have sold nicotine-containing electronic cigarette products that did not carry the appropriate Prop 65 warning, the Center for Environmental Health has asserted in its complaint that even electronic cigarette products that do not contain nicotine, but could potentially be used with nicotine-containing products (such as open-system vaporizers or blank cartridges), should also carry a Prop 65 warning. As a result of other similar suits that may be filed in the future, we may face substantial costs due to increased product liability litigation relating to new regulations or other potential defects associated with our vaporizer and other consumption products, including litigation arising out of faulty devices or improper usage, which could have a material adverse effect on our business, results of operations and financial condition.

There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

The scientific community has not yet extensively studied the long-term health effects of the use of vaporizers, electronic cigarettes or e-liquids products.

Vaporizers, electronic cigarettes and related products were recently developed and therefore the scientific community has not had a sufficient period of time to study the long-term health effects of their use. Currently, there is no way of knowing whether these products are safe for their intended use. If the scientific community were to determine conclusively that use of any or all of these products poses long-term health risks, market demand for these products and their use could materially decline. Such a determination could also lead to litigation and significant regulation. Loss of demand for our product, product liability claims and increased regulation stemming from unfavorable scientific studies on these products could have a material adverse effect on our business, results of operations and financial condition.

Reliance on information technology means a significant disruption could affect our communications and operations.

We increasingly rely on information technology systems for our internal communications, controls, reporting and relations with customers, vendors and suppliers, and information technology is becoming a significantly important tool for our sales staff. Our marketing and distribution strategy is dependent upon our ability to closely monitor consumer and market trends on a highly-specified level, for which we are reliant on our sophisticated data tracking systems, which are susceptible to disruption or failure. In addition, our reliance on information technology exposes us to cyber-security risks, which could have a material adverse effect on our ability to compete. Security and privacy breaches may expose us to liability and cause us to lose customers, or may disrupt our relationships and ongoing transactions with other entities with whom we contract throughout our supply chain. The failure of our information systems to function as intended, or the penetration by outside parties intent on disrupting business processes, could result in significant costs, loss of revenue, assets or personal or other sensitive data and reputational harm.

Internet security poses a risk to our e-commerce sales.

At present we generate a portion of our sales through e-commerce sales on our own websites and fulfillment activities through third-party websites. We manage our websites and e-commerce platform internally and, as a result,

any compromise of our security or misappropriation of proprietary information could have a material adverse effect on our business, results of operations and financial condition. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure Internet transmission of confidential information, such as credit and other proprietary information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the technology used by us to protect client transaction data. Anyone who is able to circumvent our security measures could misappropriate proprietary information or cause material interruptions in our operations. We may be required to expend significant capital and other resources to protect against security breaches or to minimize problems caused by security breaches. To the extent that our activities or the activities of others involve the storage and transmission of proprietary information, security breaches could damage our reputation and expose us to a risk of loss and/or litigation. Our security measures may not prevent security breaches. Our failure to prevent these security breaches may result in consumer distrust and may adversely affect our business, results of operations and financial condition.

Security and privacy breaches may expose us to liability and cause us to lose customers.

Federal, provincial and state laws require us to safeguard our customers' financial information, including credit information. Although we have established security procedures to protect against identity theft and the theft of financial information of our customers, distributors or consumers, our security and testing measures may not prevent security breaches and breaches of privacy may occur, which would harm our business. Typically, we rely on encryption and authentication technology licensed from third parties to enhance transmission security of confidential information in relation to financial and other sensitive information that we have on file. Advances in computer capabilities, new discoveries in the field of cryptography, inadequate facility security or other developments may result in a compromise or breach of the technology used by us to protect customer data. Any compromise of our security could harm our reputation or financial condition and therefore, our business. In addition, a party who is able to circumvent our security measures or exploit inadequacies in our security measures, could, among other effects, misappropriate proprietary information, cause interruptions in our operations or expose customers and other entities with which we interact to computer viruses or other disruptions. Actual or perceived vulnerabilities may lead to claims against us. To the extent the measures we have taken prove to be insufficient or inadequate, we may become subject to litigation or administrative sanctions, which could result in significant fines, penalties or damages and harm to our reputation.

If the methodologies of Internet search engines are modified, traffic to our websites and corresponding consumer origination volumes could decline.

We depend in part on various Internet search engines, including Google®, Bing®, and Yahoo!®, to direct a significant amount of traffic to our websites. Our ability to maintain the number of visitors directed to our websites by search engines through which we distribute our content is not entirely within our control. Our competitors' search engine optimization ("SEO") efforts may result in their websites receiving a higher search result page ranking than ours, or Internet search engines could revise their methodologies, which could adversely affect the placement of our search result page ranking. If search engine companies modify their search algorithms in ways that are detrimental to our consumer growth or in ways that make it harder for our customers to access or use our websites, or if our competitors' SEO efforts are more successful than ours, our consumer engagement and number of consumers could decline. Any reduction in the number of consumers directed to our websites could negatively affect our ability to earn revenue. If traffic on our websites declines, we may need to employ more costly resources to replace lost traffic, and such increased expense could adversely affect our business, results of operations and financial condition.

We are a holding company and depend upon our subsidiaries for our cash flow.

We are a holding company. Our subsidiaries conduct all of our operations and own substantially all of our tangible assets. Consequently, our cash flow and our ability to meet our obligations or to make other distributions in the future will depend upon the cash flow of our subsidiaries and our subsidiaries' payment of funds to us in the form of distributions, dividends, tax sharing payments or otherwise.

The ability of our subsidiaries to make any payments to us will depend on their earnings and cash flow, the terms of their current and future indebtedness, tax considerations and legal and contractual restrictions on their ability to make distributions.

Our subsidiaries are separate and distinct legal entities. Any right that we have to receive any assets of or distributions from any of our subsidiaries upon the bankruptcy, dissolution, liquidation or reorganization, or to realize proceeds from the sale of their assets, will be junior to the claims of that subsidiary's creditors, including trade creditors and holders of debt that the subsidiary issued.

Changes in our credit profile may affect our relationship with our suppliers, which could have a material adverse effect on our liquidity.

Changes in our credit profile may affect the way our suppliers view our ability to make payments and may induce them to shorten the payment terms of their invoices. Given the large dollar amounts and volume of our purchases from suppliers, a change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers and, consequently, may have a material adverse effect on us.

Our intellectual property may be infringed.

We currently rely on trademark and other intellectual property rights to establish and protect the brand names and logos we own or license on the products we distribute. Third parties have in the past infringed, and may in the future infringe, on these trademarks and our other intellectual property rights. Our ability to maintain and further build brand recognition is dependent on the continued use of these trademarks, service marks and other proprietary intellectual property, including the names and logos we own or license. Despite our attempts to ensure these intellectual property rights are protected, third parties may take actions that could materially and adversely affect our rights or the value of this intellectual property. Any litigation concerning our intellectual property rights or the intellectual property rights of our suppliers, whether successful or unsuccessful, could result in substantial costs to us and diversions of our resources. Expenses related to protecting our intellectual property rights or the intellectual property rights of our suppliers, the loss or compromise of any of these rights or the loss of revenues as a result of infringement could have a material adverse effect on our business, results of operations and financial condition, and may prevent the brands we own or license, or are owned or licensed by our suppliers, from growing or maintaining market share. There can be no assurance that any trademarks or common marks that we own or license, or are owned or licensed by our suppliers, will not be challenged in the future, invalidated or circumvented or that the rights granted thereunder or under licensing agreements will provide us or our suppliers competitive advantages. We are dependent on the validity, integrity and intellectual property of our suppliers and their efforts to appropriately register, maintain and enforce intellectual property in all jurisdictions in which their products are sold.

We devote significant resources to the registration and protection of our trademarks and to anti-counterfeiting efforts. Despite these efforts, we regularly discover products that infringe on our proprietary rights or that otherwise seek to mimic or leverage our intellectual property or the intellectual property of our suppliers. Counterfeiting and other infringing activities typically increase as brand recognition increases, especially in markets outside the United States and Canada. Counterfeiting and other infringement of our intellectual property could divert away sales, and association of our brands with inferior counterfeit reproductions or third party labels could adversely affect the integrity and reputation of our brands.

Although we currently hold a number of patents on our products, we generally rely on patents on the products of our suppliers as well as their efforts in successfully defending third-party challenges to such products. Our ability to maintain and enforce our patent rights, and the ability of our suppliers, licensors, collaborators and manufacturers to maintain and enforce their patent rights, against third-party challenges to their validity, scope or enforceability plays an important role in determining our future. There can be no assurances that we will ever successfully file or receive any patents in the future, and changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of the intellectual property rights of the products we distribute, license or own. Accordingly, we cannot predict with any certainty the range of claims that may be allowed or enforced concerning the products that we sell.

In addition, there can be no assurance that standard intellectual property confidentiality and assignment agreement with employees, consultants and other advisors will not be breached, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known to or independently developed by competitors. Furthermore, there can be no assurance that our efforts to protect our intellectual property will prevent others from unlawfully using our trademarks, trade secrets, copyrights and other intellectual property. Our success depends in part, on our continued ability to maintain our intellectual property and those of our suppliers, and to

protect our trade secrets. An inability to continue to preserve and protect our intellectual property would likely have a material adverse effect on our business, results of operations and financial condition.

We are subject to the risks of exchange rate fluctuations.

Currency movements and suppliers' price increases relating to currency exchange rates are significant factors affecting our cost of sales. Many of our products are purchased from suppliers located in foreign countries and we make payments for our products in numerous currencies. Thus, we bear certain foreign exchange rate risk for certain of our inventory purchases. In addition, we recently expanded into Canada, and as part of our strategy, we may undertake further international expansion. As a result, in the future, we may be more sensitive to the risks of exchange rate fluctuations, which may have a material adverse effect on our business, results of operations and financial condition.

Adverse U.S., Canadian and global economic conditions could negatively impact our business, prospects, results of operations, financial condition or cash flows.

Our business and operations are sensitive to global economic conditions. These conditions include interest rates, energy costs, inflation, international trade relationships, recession, fluctuations in debt and equity capital markets and the general condition of the U.S., Canadian and world economy. A material decline in the economic conditions affecting consumers, which cause a reduction in disposable income for the average consumer, may change consumption patterns, and may result in a reduction in spending on vaporization products and consumption accessories or a switch to cheaper products or products obtained through illicit channels. Vaporizer, electronic cigarette and e-liquid products are relatively new to market and may be regarded by consumers as a novelty item and expendable. As such, demand for our vaporizer products may be particularly sensitive to economic conditions such as inflation, recession, high energy costs, unemployment, changes in interest rates and money supply, changes in the political environment and other factors beyond our control, any combination of which could result in a material adverse effect on our business, results of operations and financial condition.

We are required to comply with laws and regulations in other countries and are exposed to business risks associated with our international operations.

For the years ended December31, 2018 and 2017, we derived 10.4% and 9.4%, respectively, of our net sales from outside the United States, primarily in Canada. We intend to increase our Canadian and other international sales, both as to the dollar amount and as a percentage of our net sales and operations in the future. As a result, we are subject to numerous evolving and complex laws and regulations which apply, among other things, to financial reporting standards, corporate governance, data privacy, tax, trade regulations, export controls, competitive practices, labor, health and safety laws, and regulations in each jurisdiction in which we operate. We are also required to obtain permits and other authorizations or licenses from governmental authorities for certain of our operations and we or our suppliers' must protect our intellectual property worldwide. In the jurisdictions in which we operate, we need to comply with various standards and practices of different regulatory, tax, judicial and administrative bodies.

There are a number of risks associated with international business operations, including political instability (e.g., the threat of war, terrorist attacks or civil unrest), inconsistent regulations across jurisdictions, unanticipated changes in the regulatory environment, and import and export restrictions. Any of these events may affect our employees, reputation, business or financial results as well as our ability to meet our objectives, including the following international business risks:

- negative economic developments in economies around the world and the instability of governments, or the downgrades in the debt ratings of certain major economies;
- social and political instability;
- complex regulations governing certain of our products;
- potential terrorist attacks;
- adverse changes in governmental policies, especially those affecting trade, tariffs and investment;

- foreign currency exchange, particularly with respect to the Canadian Dollar, Euro, British Pound Sterling and Australian dollar; and
- threats that our operations or property could be subject to nationalization and expropriation.

We may not be in full compliance at all times with the laws and regulations to which we are subject. Likewise, we may not have obtained or may not be able to obtain the permits and other authorizations or licenses that we need. If we violate or fail to comply with laws, regulations, permits, labor, health and safety regulations or other authorizations or licenses, we could be fined or otherwise sanctioned by regulators. In such a case, or if any of these international business risks were to materialize, our business, results of operations and financial condition could be adversely affected.

New tariffs and the evolving trade policy dispute between the United States and China may adversely affect our business.

On August 14, 2017, President Trump instructed the U.S. Trade Representative ("USTR") to determine under Section 301 of the U.S. Trade Act of 1974 (the "Trade Act") whether to investigate China's law, policies, practices or actions that may be unreasonable or discriminatory and that may be harming American intellectual property rights, innovation or technology development. On March 22, 2018, based upon the results of its investigation, the USTR published a report finding that the acts, policies and practices of the Chinese government are unreasonable or discriminatory and burden or restrict U.S. commerce.

On March 8, 2018, President Trump imposed significant tariffs on steel and aluminum imports from a number of countries, including China. Subsequently, the USTR announced an initial proposed list of 1,300 goods imported from China that could be subject to additional tariffs and initiated a dispute with the World Trade Organization against China for alleged unfair trade practices.

On June 15, 2018, the USTR announced a list of products subject to additional tariffs. The list focused on products from industrial sectors that contribute to or benefit from the "Made in China 2025" industrial policy. The list of products consists of two sets of tariff lines. The first set contains 818 tariff lines for which Customs and Border Protection began collecting the additional duties on July 6, 2018. This list includes some of the products we distribute. The second set contains 284 proposed tariff lines that remain subject to further review. On July 10, 2018, the USTR announced that, as a result of China's retaliation and failure to change its practices, President Trump has ordered the USTR to begin the process of imposing tariffs of 10 percent on an additional $200 billion of Chinese imports, and on September 17, 2018, President Trump announced that such tariffs would go into effect on September 24, 2018 and would increase to 25 percent on January1, 2019. However, in early December 2018, President Trump agreed to leave the tariffs at the 10 percent rate while the United States and China entered into negotiations regarding various trade-related matters.

These new tariffs and the evolving trade policy dispute between the United States and China may have a significant impact on the industries in which we participate. A "trade war" between the United States and China or other governmental action related to tariffs or international trade agreements or policies has the potential to adversely impact demand for our products, our costs, customers, suppliers and/or the United States economy or certain sectors thereof and, thus, to adversely impact our businesses and results of operations.

Our failure to comply with certain environmental, health and safety regulations could adversely affect our business.

The storage, distribution and transportation of some of the products that we sell are subject to a variety of federal, state, provincial and local environmental regulations. We are also subject to operational, health and safety laws and regulations. Our failure to comply with these laws and regulations could cause a disruption in our business, an inability to maintain our warehousing resources, additional and potentially significant remedial costs and damages, fines, sanctions or other legal consequences that could have a material adverse effect on our business, results of operations and financial condition. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations or give rise to material liabilities, which could have a material adverse effect on our business, financial condition and results of operations.

Our business depends substantially on the continued efforts of our executive officers and key employees, and our business may be severely disrupted if we lose their services.

Our future success depends substantially on the continued efforts of our executive officers, especially our Chief Executive Officer, Aaron LoCascio, and our Chief Strategy Officer, Adam Schoenfeld, as well as our key employees. If one or more of our executive officers or key employees were unable or unwilling to continue in their present positions, we may not be able to replace them in a timely manner, or at all. Our business may be severely disrupted, our financial conditions and results of operations may be materially adversely affected and we may incur additional expenses to recruit, train and retain personnel. In addition, if any of our executive officers or key employees joins a competitor or forms a competing company, we may lose customers, suppliers, know-how, key professionals and staff members.

In the future, we may pursue selective acquisitions to complement our organic growth, which may not be successful and may divert financial and management resources.

If we identify appropriate opportunities, we may acquire or invest in technologies, businesses or assets that are strategically important to our business or form alliances with key participants in the vaporization products and consumption accessories industry to further expand our business. If we decide to pursue a strategy of selective acquisitions, we may not be successful in identifying suitable acquisition opportunities or completing such transactions. Our competitors may be more effective in executing and closing acquisitions in competitive auctions than us. Our ability to enter into and complete acquisitions may be restricted by, or subject to, various approvals under U.S., Canadian or other applicable law or may not otherwise be possible, may result in a possible dilutive issuance of our securities, or may require us to seek additional financing. We also may experience difficulties integrating acquired operations, technology, and personnel into our existing business and operations. Completed acquisitions may also expose us to potential risks, including risks associated with unforeseen or hidden liabilities, impact to our corporate culture, the diversion of resources from our existing business, and the potential loss of, or harm to, relationships with our suppliers, business relationships or employees as a result of our integration of new businesses. In addition, following completion of an acquisition, our management and resources may be diverted from their core business activities due to the integration process, which diversion may harm the effective management of our business. Furthermore, it may not be possible to achieve the expected synergies or the actual cost of delivering such benefits may exceed the anticipated cost. Any of these factors may have an adverse effect on our business, results of operations and financial condition.

Our operations are subject to natural disasters, adverse weather conditions, operating hazards, environmental incidents and labor disputes.

We may experience earthquakes, floods, typhoons, power outages, labor and trade disputes or similar events beyond our control that would affect our warehousing and distribution operations. The occurrences of such events could result in shutdowns or periods of reduced operations, which could significantly disrupt our business operations, cause us to incur additional costs and affect our ability to deliver our products to our customers as scheduled, which may adversely affect our business, results of operations and financial condition. Moreover, such events could result in severe damage to property, personal injuries, fatalities, regulatory enforcement proceedings or in us being named as a defendant in lawsuits asserting claims for large amounts of damages, which in turn could lead to significant liabilities.

Risks Related to Our Organizational Structure

Our principal asset after the completion of this offering will be our interest in Greenlane Holdings, LLC, and, accordingly, we will depend on distributions from Greenlane Holdings, LLC to pay our taxes and expenses, including payments under the Tax Receivable Agreement. Greenlane Holdings, LLC's ability to make such distributions may be subject to various limitations and restrictions.

Upon the completion of this offering, we will be a holding company and will have no material assets other than our ownership of Common Units of Greenlane Holdings, LLC. As such, we will have no independent means of generating revenue or cash flow. We have determined that Greenlane Holdings, LLC will be a variable interest entity, or VIE, and that we will be the primary beneficiary of Greenlane Holdings, LLC. Accordingly, pursuant to the VIE accounting model, we will consolidate Greenlane Holdings, LLC in our consolidated financial statements.

In the event of a change in accounting guidance or amendments to the Greenlane Operating Agreement resulting in us no longer having a controlling interest in Greenlane Holdings, LLC, we may not be able to consolidate its results of operations with our own, which would have a material adverse effect on our results of operations. Moreover, our ability to pay our taxes and operating expenses or declare and pay dividends in the future, if any, will be dependent upon the financial results and cash flows of Greenlane Holdings, LLC and its subsidiaries and distributions we receive from Greenlane Holdings, LLC. There can be no assurance that Greenlane Holdings, LLC and its subsidiaries will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants in our debt instruments, will permit such distributions.

Greenlane Holdings, LLC will continue to be treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to any entity-level U.S. federal income tax. Instead, taxable income will be allocated to holders of Common Units, including us. Accordingly, we will incur income taxes on our allocable share of any net taxable income of Greenlane Holdings, LLC. Under the terms of the Greenlane Operating Agreement, Greenlane Holdings, LLC will be obligated to make tax distributions to holders of Common Units, including us. In addition to tax expenses, we will also incur expenses related to our operations, including payments under the Tax Receivable Agreement, which we expect could be significant. See "Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement." We intend, as its manager, to cause Greenlane Holdings, LLC to make cash distributions to the owners of Common Units in an amount sufficient to (i) fund their tax obligations in respect of taxable income allocated to them and (ii) cover our operating expenses, including payments under the Tax Receivable Agreement. However, Greenlane Holdings, LLC's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which Greenlane Holdings, LLC is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Greenlane Holdings, LLC insolvent. If we do not have sufficient funds to pay tax or other liabilities or to fund our operations, we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore accelerate payments due under the Tax Receivable Agreement. See "Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement" and "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement — Distributions." In addition, if Greenlane Holdings, LLC does not have sufficient funds to make distributions, our ability to declare and pay cash dividends will also be restricted or impaired. See "— Risks Related to This Offering and Ownership of Our Class A Common Stock" and "Dividend Policy."

The Tax Receivable Agreement with the Members requires us to make cash payments to them in respect of certain tax benefits to which we may become entitled, and we expect that the payments we will be required to make will be substantial.

Upon the closing of this offering, we will be a party to the Tax Receivable Agreement with Greenlane Holdings, LLC and the Members. Under the Tax Receivable Agreement, we will be required to make cash payments to the Members equal to 85% of the tax benefits, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (i) the increases in the tax basis of assets of Greenlane Holdings, LLC resulting from any redemptions or exchanges of Common Units from the Members as described under "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement — Common Unit Redemption Right" and (ii) certain other tax benefits related to our making payments under the Tax Receivable Agreement. Although the actual timing and amount of any payments that we make to the Members under the Tax Receivable Agreement will vary, we expect those payments will be significant. Any payments made by us to the Members under the Tax Receivable Agreement may generally reduce the amount of overall cash flow that might have otherwise been available to us. Furthermore, our future obligation to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are the subject of the Tax Receivable Agreement. For more information, see "Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement." Payments under the Tax Receivable Agreement are not conditioned on any Member's continued ownership of Common Units or our Class A common stock after this offering.

The actual amount and timing of any payments under the Tax Receivable Agreement will vary depending upon a number of factors, including the timing of redemptions or exchanges by the holders of Common Units, the amount of gain recognized by such holders of Common Units, the amount and timing of the taxable income we generate in the future, and the federal tax rates then applicable.

Two of our senior executives, Aaron LoCascio and Adam Schoenfeld, have control over all stockholder decisions because collectively they control a substantial majority of the combined voting power of our common stock. This will limit or preclude your ability to influence corporate matters, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval.

Our Chief Executive Officer, Aaron LoCascio, and our Chief Strategy Officer, Adam Schoenfeld, are senior executives and board members, and they and their affiliates will beneficially own 100% of our Class C common stock and thereby collectively control approximately % of the combined voting power of our common stock (or % if the underwriters exercise their option to purchase additional shares in full from the selling stockholders) after the completion of this offering and the application of the net proceeds from this offering.

As a result, Messrs. LoCascio and Schoenfeld will have the ability to substantially control us, including the ability to control any action requiring the general approval of our stockholders, including the election of our board of directors, the adoption of amendments to our amended and restated certificate of incorporation and bylaws and the approval of any merger or sale of substantially all of our assets. This concentration of ownership and voting power may also delay, defer or even prevent an acquisition by a third party or other change of control of us and may make some transactions more difficult or impossible without their support, even if such events are in the best interests of minority stockholders. This concentration of voting power with Messrs. LoCascio and Schoenfeld may have a negative impact on the price of our Class A common stock.

As our Chief Executive Officer, Mr. LoCascio has control over our day-to-day management and the implementation of major strategic investments of our company, subject to authorization and oversight by our board of directors. As members of our board of directors, Messrs. LoCascio and Schoenfeld owe fiduciary duties to our company, including those of care and loyalty, and must act in good faith and with a view to the interests of the corporation. However, Delaware law provides that a director or officer shall not be personally liable to a corporation for a breach of fiduciary duty except for an act or omission constituting a breach and which involves intentional misconduct, fraud or a knowing violation of law. In addition, a director or officer is entitled to a presumption that he or she acted in good faith, on an informed basis and with a view to the interests of the corporation, and is not individually liable unless that presumption is found by a trier of fact to have been rebutted. As a stockholder, even a controlling stockholder, each of Messrs. LoCascio and Schoenfeld is entitled to vote his shares, and shares over which he has voting control, in his own interests, which may not always be in the interests of our stockholders generally. Because Messrs. LoCascio and Schoenfeld hold their economic interest in our business through Greenlane Holdings, LLC, rather than through the public company, they may have conflicting interests with holders of shares of our Class A common stock. For example, Messrs. LoCascio and Schoenfeld may have different tax positions from us, which could influence their decisions regarding whether and when we should dispose of assets or incur new or refinance existing indebtedness, especially in light of the existence of the Tax Receivable Agreement, and whether and when we should undergo certain changes of control within the meaning of the Tax Receivable Agreement or terminate the Tax Receivable Agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. See “Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement.” In addition, the significant ownership of Messrs. LoCascio and Schoenfeld in us and their resulting ability to effectively control us may discourage someone from making a significant equity investment in us, or could discourage transactions involving a change in control, including transactions in which you as a holder of shares of our Class A common stock might otherwise receive a premium for your shares over the then-current market price.

Under certain circumstances, redemptions of Common Units by Members will result in dilution to the holders of our Class A common stock.

Redemptions of Common Units by Members in accordance with the terms of the Greenlane Operating Agreement will result in a corresponding increase in our membership interest in Greenlane Holdings, LLC, increase in the number of shares of Class A common stock outstanding and decrease in the number of shares of Class B

common stock or Class C common stock outstanding. In the event that Common Units are exchanged at a time when Greenlane Holdings, LLC has made cash distributions to Members, including our company, and we have accumulated such distributions and neither reinvested them in Greenlane Holdings, LLC in exchange for additional Common Units nor distributed them as dividends to the holders of our Class A common stock, the holders of our Class A common stock would experience dilution with respect to such accumulated distributions.

Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Members that will not benefit Class A common stockholders to the same extent as it will benefit the Members.

Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon the Members that will not benefit the holders of our Class A common stock to the same extent as it will benefit the Members. We will enter into the Tax Receivable Agreement with Greenlane Holdings, LLC and the Members and it will provide for the payment by us to the Members of 85% of the amount of tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of (1) the increases in the tax basis of assets of Greenlane Holdings, LLC resulting from any redemptions or exchanges of Common Units from the Members as described under "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement — Common Unit Redemption Right" and (2) certain other tax benefits related to our making payments under the Tax Receivable Agreement. See "Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement." Although we will retain 15% of the amount of such tax benefits, this and other aspects of our organizational structure may adversely impact the future trading market for the Class A common stock.

In certain cases, payments under the Tax Receivable Agreement to the Members may be accelerated or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement.

The Tax Receivable Agreement provides that upon certain mergers, asset sales, other forms of business combinations or other changes of control or if, at any time, we elect an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement to make payments thereunder would be based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result of the foregoing, (i) we could be required to make payments under the Tax Receivable Agreement that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement, and (ii) if we elect to terminate the Tax Receivable Agreement early, we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to fund or finance our obligations under the Tax Receivable Agreement.

We will not be reimbursed for any payments made to the Members under the Tax Receivable Agreement in the event that any tax benefits are disallowed.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine, and the IRS or another tax authority may challenge all or part of the tax basis increases, as well as other related tax positions we take, and a court could sustain such challenge. If the outcome of any such challenge would reasonably be expected to materially affect a recipient's payments under the Tax Receivable Agreement, then we will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of each Member that directly or indirectly owns at least 10% of the outstanding Common Units. We will not be reimbursed for any cash payments previously made to the Members under the Tax Receivable Agreement in the event that any tax benefits initially claimed by us and for which payment has been made to a Member are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to a Member will be netted against any future cash payments that we might otherwise be required to make to such Member under the terms of the Tax Receivable Agreement. However, we might not determine that we

have effectively made an excess cash payment to a Member for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. As a result, payments could be made under the Tax Receivable Agreement in excess of the tax savings that we realize in respect of the tax attributes with respect to a Member that are the subject of the Tax Receivable Agreement.

Fluctuations in our tax obligations and effective tax rate and realization of our deferred tax assets may result in volatility of our operating results.

We are subject to taxes by the U.S. federal, state, local and foreign tax authorities, and our tax liabilities will be affected by the allocation of expenses to differing jurisdictions. We record tax expense based on our estimates of future earnings, which may include reserves for uncertain tax positions in multiple tax jurisdictions, and valuation allowances related to certain net deferred tax assets. At any one time, many tax years may be subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these matters. We expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- changes in tax laws, regulations or interpretations thereof; or
- future earnings being lower than anticipated in countries where we have lower statutory tax rates and higher than anticipated earnings in countries where we have higher statutory tax rates.

In addition, our effective tax rate in a given financial statement period may be materially impacted by a variety of factors including but not limited to changes in the mix and level of earnings, varying tax rates in the different jurisdictions in which we operate, fluctuations in valuation allowances, deductibility of certain items, or by changes to existing accounting rules or regulations. Further, tax legislation may be enacted in the future which could negatively impact our current or future tax structure and effective tax rates. We may be subject to audits of our income, sales, and other transaction taxes by U.S. federal, state, local, and foreign taxing authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition.

If we were deemed to be an investment company under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), as a result of our ownership of Greenlane Holdings, LLC, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of those sections of the 1940 Act.

As the sole manager of Greenlane Holdings, LLC, we will control and operate Greenlane Holdings, LLC. On that basis, we believe that our interest in Greenlane Holdings, LLC is not an "investment security" as that term is used in the 1940 Act. However, if we were to cease participation in the management of Greenlane Holdings, LLC, our interest in Greenlane Holdings, LLC could be deemed an "investment security" for purposes of the 1940 Act.

We and Greenlane Holdings, LLC intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

We will be a controlled company within the meaning of the Nasdaq Marketplace Rules, and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements that provide protection to stockholders of other companies. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Upon completion of this offering, the Founder Members will control more than 50% of our combined voting power. As a result, we will be considered a "controlled company" within the meaning of the Nasdaq Marketplace Rules. As a controlled company, we will be exempt from certain Nasdaq Marketplace Rules, including those that would otherwise require our board of directors to have a majority of independent directors and require that we either establish a Compensation and Nominating and Corporate Governance Committees, each comprised entirely of independent directors, or otherwise ensure that the compensation of our executive officers and nominees for directors are determined or recommended to the board of directors by the independent members of the board of directors. While we intend on having a majority of independent directors, our compensation and nominating and corporate governance committees may not consist entirely of independent directors. Accordingly, holders of our Class A common stock will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq Marketplace Rules.

Our failure to meet the continued listing requirements of Nasdaq could result in a de-listing of our common stock.

If, after listing, we fail to satisfy the continued listing requirements of Nasdaq, such as the corporate governance requirements or the minimum closing bid price requirement, Nasdaq may take steps to de-list our Class A common stock. Such a de-listing would likely have a negative effect on the price of our Class A common stock and would impair your ability to sell or purchase our Class A common stock when you wish to do so. In the event of a de-listing, we would take actions to restore our compliance with Nasdaq Marketplace Rules, but our Class A common stock may not be listed again, stabilize the market price or improve the liquidity of our Class A common stock, prevent our Class A common stock from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with the Nasdaq Marketplace Rules.

Risks Related to this Offering and Ownership of Our Class A Common Stock

The initial public offering price of our Class A common stock may not be indicative of the market price of our Class A common stock after this offering. In addition, an active trading market for our Class A common stock may not develop or be maintained, and our stock price may be volatile.

Prior to this offering, our Class A common stock was not traded on any market. While we have applied to list our Class A common stock on Nasdaq, an active trading market for our Class A common stock may not develop or be maintained. Active trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our Class A common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A common stock, you could lose a substantial part or all of your investment in our Class A common stock. The initial public offering price will be negotiated between us and representatives of the underwriters, based on numerous factors which we discuss in "Underwriting," and may not be indicative of the market price of our Class A common stock after this offering. Consequently, you may not be able to sell shares of our Class A common stock at prices equal to or greater than the price paid by you in this offering. The following factors could affect our stock price:

- our operating and financial performance;
- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and revenues;
- strategic actions by our competitors or our suppliers;
- product recalls or product liability claims;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- liquidity and activity in the market for our Class A common stock;
- speculation in the press or investment community;

- sales of our Class A common stock by us or other stockholders, or the perception that such sales may occur;
- changes in accounting principles;
- additions or departures of key management personnel;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in our industry or target markets;
- investors' general perception of us and the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- actions by our stockholders; and
- domestic and international economic, legal and regulatory factors.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management's attention and resources and harm our business, operating results and financial condition.

The reduced disclosure requirements applicable to "emerging growth companies" may make our Class A common stock less attractive to investors, potentially decreasing our stock price.

For as long as we continue to be an "emerging growth company", we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." Investors may find our Class A common stock less attractive because we may rely on these exemptions, which include but are not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act ("Section 404"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, Section 107 of the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") enacted on April 5, 2012 provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. We have elected not to use the extended transition period for complying with any new or revised financial accounting standards. Therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

If investors find our Class A common stock less attractive as a result of exemptions and reduced disclosure requirements, there may be a less active trading market for our Class A common stock and our stock price may be more volatile or decrease.

The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an "emerging growth company."

As a public company, we will be required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and other regulatory requirements is time-consuming and expensive and could have a negative effect on our business, results of operations and financial condition. As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Sarbanes-Oxley Act ("SOX"). The cost of complying with these requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. SOX requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we must commit significant resources, will be required to hire additional staff and need to continue to provide effective management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. Sustaining our growth also will require us to commit additional management, operational and financial resources

to identify new professionals to join our company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In connection with becoming a public company, we will obtain at or prior to the closing of this offering directors' and officers' insurance coverage, which will increase our annual insurance costs. In the future, it may be more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members to our board of directors in the future, particularly to serve on our audit committee, and qualified executive officers.

As an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain temporary exemptions from various reporting requirements, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of SOX (and rules and regulations of the SEC thereunder, which we refer to as Section 404) and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We will remain an "emerging growth company" for up to five years, although we may cease to be an "emerging growth company" earlier under certain circumstances. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

New investors purchasing our Class A common stock will experience immediate and substantial dilution.

Our initial public offering price is substantially higher than the book value per share of our Class A common stock. If you purchase Class A common stock in this offering, you will incur immediate dilution of approximately $ in net tangible book value per share of Class A common stock, based on the initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus. In addition, the number of shares available for issuance under our 2019 Equity Incentive Plan will increase annually without further board of directors or stockholder approval. Investors will incur additional dilution upon the exercise of stock options and warrants. See "Dilution."

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock.

While our predecessor, Greenlane Holdings, LLC, as a pass-through entity for tax purposes, has historically made distributions to members for tax purposes, we do not anticipate paying cash dividends in the foreseeable future. The payment of dividends will depend on our earnings, capital requirements, financial condition, prospects and other factors our board of directors may deem relevant. If we do not pay dividends, our stock may be less valuable because a return on your investment will only occur if you sell our Class A common stock after our stock price appreciates.

Future sales of our Class A common stock in the public market, or the perception that such sales may occur, could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us.

Subject to certain limitations and exceptions, the Members of Greenlane Holdings, LLC may redeem their Common Units for shares of Class A common stock (on a one-for-one basis, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions) and then sell those shares of Class A common stock. Additionally, we may issue additional shares of Class A common stock or convertible securities in subsequent public offerings. After the completion of this offering, we will have outstanding shares of Class A common stock, outstanding shares of Class B common stock and outstanding shares of Class C common stock, assuming an initial offering price at the midpoint of the price range set forth on the cover page of this prospectus. This number includes shares of Class A common stock that the selling stockholders are selling in this offering if the underwriters' option to purchase additional shares is fully exercised, which may be resold immediately in the public market, as well as shares of Class A common stock that will be issued upon the automatic share settlement of the Convertible Notes, assuming an initial offering price at the midpoint of the price range set forth on the cover page of this prospectus. Following the completion of this offering, the Founder Members

will own shares of Class C common stock, which will be exchangeable for shares of Class A common stock, assuming an initial offering price at the midpoint of the price range set forth on the cover page of this prospectus in connection with a redemption of the corresponding Common Units, representing approximately % of our total outstanding common stock (or shares of Class C common stock, which will be exchangeable for shares of Class A common stock in connection with a redemption of the corresponding Common Units, assuming an initial offering price at the midpoint of the price range set forth on the cover page of this prospectus representing approximately % of our total outstanding common stock if the underwriters' option to purchase additional shares is exercised in full). In addition, following the completion of this offering, the Non-Founder Members will own shares of Class B common stock (including shares subject to vesting), assuming an initial offering price at the midpoint of the price range set forth on the cover page of this prospectus, which will be exchangeable for shares of Class A common stock in connection with a redemption of the corresponding Common Units, representing approximately % of our total outstanding Class A common stock (or shares of Class B common stock, which will be exchangeable for shares of Class A common stock, assuming an initial offering price at the midpoint of the price range set forth on the cover page of this prospectus in connection with a redemption of the corresponding Common Units, representing approximately % of our total outstanding Class A common stock if the underwriters' option to purchase additional shares from the selling stockholders is exercised in full). All such shares are restricted from immediate resale under the federal securities laws and are subject to the lock-up agreements between such parties and the underwriters described in "Underwriting," but may be sold into the market in the future. We will be party to a registration rights agreement between us and the Members, which will require us to effect the registration of their shares in certain circumstances no earlier than the expiration of the lock-up period contained in the Underwriting Agreement entered into in connection with this offering. See "Shares Eligible for Future Sale" and "Certain Relationships and Related Party Transactions — The Transactions — Registration Rights Agreement."

We cannot predict the size of future issuances of our Class A common stock or securities convertible into Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock will have on the market price of our Class A common stock. Sales of substantial amounts of our Class A common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our Class A common stock.

The underwriters of this offering may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our Class A common stock.

Our executive officers and directors and our significant stockholders, including all of the Members and the holders of shares of Class A common stock issued upon the conversion of the Convertible Notes, have entered into lock-up agreements with respect to their Class A common stock, pursuant to which they are subject to certain resale restrictions for a period of 180 days following the effective date of the registration statement of which this prospectus forms a part, subject to certain exceptions. The underwriters at any time and without notice, may release all or any portion of the Class A common stock subject to the foregoing lock-up agreements. If the restrictions under the lock-up agreement are waived, then Class A common stock will be available for sale into the public markets, which could cause the market price of our Class A common stock to decline and impair our ability to raise capital.

If securities analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our stock will depend in part on the research and reports that securities or industry analysts publish about us or our industry. We currently do not, and in the future may not, have research coverage by securities analysts. If no securities analysts commence coverage of our company, the trading price for our stock could be negatively impacted. In the event we obtain securities analyst coverage, if one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price could decline as a result. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

The terms and covenants relating to our existing credit facility could adversely impact our financial performance and liquidity.

Our existing credit facility contains covenants requiring us to, among other things, provide financial and other information reporting and to provide notice upon the occurrence of certain events affecting our company or our

business. These covenants also place restrictions on our ability to incur additional indebtedness, make investments and loans, and enter into certain transactions, including selling assets, engaging in mergers or acquisitions, or engaging in transactions with affiliates. If we fail to satisfy one or more of the covenants under our credit facility, we would be in default thereunder, and may be required to repay such debt with capital from other sources or otherwise not be able to draw down against our line of credit. Under such circumstances, due to the industry in which we operate, we may have difficulty in locating another commercial lender that would be willing to extend credit to our company, and other sources of capital may not be available to us on reasonable terms or at all.

Our internal controls over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

As a public company, we will be required to evaluate our internal controls over financial reporting. Furthermore, at such time as we cease to be an "emerging growth company," as more fully described in these Risk Factors, we shall also be required to comply with Section 404. At such time we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may issue an adverse opinion due to ineffective internal controls over financial reporting and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations and cash flows.

We have broad discretion in the use of proceeds from this offering.

The net proceeds of this offering will be allocated to the potential acquisitions of complementary products, technologies and businesses, the purchase of additional inventory, additions and improvements to our internal infrastructure, the implementation of various sales and marketing initiatives, and to general corporate purposes. Within those categories, our board of directors and management will have broad discretion over the use and investment of the net proceeds of this offering, and accordingly investors in this offering will need to rely upon the judgment of our board of directors and our management with respect to the use of proceeds with only limited information concerning our specific intentions.

Anti-takeover provisions in our certificate of incorporation and amended and restated bylaws and Delaware law could discourage a takeover.

Our amended and restated certificate of incorporation and amended and restated bylaws, as adopted in connection with this offering, will contain provisions that might enable our management to resist a takeover. These provisions include:

- authorizing the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- advance notice requirements applicable to stockholders for matters to be brought before a meeting of stockholders and requirements as to the form and content of a stockholder's notice;
- restrictions on the transfer of our outstanding shares of Class B common stock and Class C common stock, which shares will represent % of the voting rights of our capital stock following this offering, or % of the voting rights if the underwriters exercise in full their option to purchase additional shares of Class A common stock;
- a supermajority stockholder vote requirement for amending certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws;

- the inability of our stockholders to act by written consent;
- a requirement that the authorized number of directors may be changed only by resolution of the board of directors;
- allowing all vacancies, including newly created directorships, to be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum, except as otherwise required by law;
- limiting the forum for certain litigation against us to Delaware; and
- limiting the persons that can call special meetings of our stockholders to our board of directors or the chairperson of our board of directors.

These provisions might discourage, delay or prevent a change in control of our company or a change in our board of directors or management. The existence of these provisions could adversely affect the voting power of holders of Class A common stock and limit the price that investors might be willing to pay in the future for shares of our Class A common stock. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. See "Description of Capital Stock."

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the price of our Class A common stock.

Our amended and restated certificate of incorporation will authorize us to issue one or more series of preferred stock. Our board of directors will have the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discourage bids for our Class A common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

Our amended and restated certificate of incorporation and bylaws will provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation and bylaws, which will become effective prior to the completion of this offering, provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, other than any action or proceeding that, under applicable law, may only be commenced or prosecuted in another forum, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to the Delaware General Corporation Law or our amended and restated certificate of incorporation or bylaws (iv) any action to interpret apply, enforce or determine the validity of our amended and restated certificate of incorporation or bylaws or (v) any action asserting a claim governed by the internal affairs doctrine. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could" and similar expressions. Examples of forward-looking statements include, without limitation:

- statements regarding our growth and other strategies, results of operations or liquidity;
- statements concerning projections, predictions, expectations, estimates or forecasts as to our business, financial and operational results and future economic performance;
- statements regarding our industry;
- statements of management's goals and objectives;
- projections of revenue, earnings, capital structure and other financial items;
- assumptions underlying statements regarding us or our business; and
- other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, factors discussed under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statements. These risks include, but are not limited to, those listed below and those discussed in greater detail under the heading "Risk Factors" above:

- our strategy, outlook and growth prospects;
- general economic trends and trends in the industry and markets;
- our dependence on third-party suppliers;
- the competitive environment in which we operate;
- our vulnerability to third-party transportation risks;
- the impact of governmental laws and regulations and the outcomes of regulatory or agency proceedings;
- our ability to accurately estimate demand for our products and maintain our levels of inventory;
- our ability to maintain our operating margins and meet sales expectations;
- our ability to adapt to changes in consumer spending and general economic conditions;
- our ability to use or license certain trademarks;
- our ability to maintain a consumer brand recognition and loyalty of our products;
- our and our customers' ability to establish or maintain banking relationships;
- fluctuations in U.S. federal, state, local and foreign tax obligation and changes in tariffs;
- our ability to address product defects;

- our exposure to potential various claims, lawsuits and administrative proceedings;
- contamination of, or damage to, our products;
- any unfavorable scientific studies on the long-term health risks of vaporizers, electronic cigarettes, e-liquids products or CBD products;
- failure of our information technology systems to support our current and growing business;
- our ability to prevent and recover from Internet security breaches;
- our ability to generate adequate cash from our existing business to support our growth;
- our ability to protect our intellectual property rights;
- our dependence on continued market acceptance by consumers;
- our sensitivity to global economic conditions and international trade issues;
- our ability to comply with certain environmental, health and safety regulations;
- our ability to successfully identify and complete strategic acquisitions;
- natural disasters, adverse weather conditions, operating hazards, environmental incidents and labor disputes;
- increased costs as a result of being a public company;
- our failure to maintain adequate internal controls over financial reporting; and
- other risks, uncertainties and factors set forth in this prospectus, including those set forth under “Risk Factors.

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results.

The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Consequently, you should not place undue reliance on forward-looking statements.

Existing Organization

Prior to the completion of this offering and the organizational transactions described below, the Members are the only members of Greenlane Holdings, LLC. Greenlane Holdings, LLC is treated as a partnership for U.S. federal income tax purposes and, as such, is not subject to any U.S. federal entity-level income taxes. Rather, taxable income or loss is included in the U.S. federal income tax returns of Greenlane Holdings, LLC's members.

Greenlane Holdings, Inc. was incorporated as a Delaware corporation on May 2, 2018 to serve as the issuer of the Class A common stock offered hereby.

Transactions

In connection with the completion of this offering, we will consummate the following organizational transactions:

- we will amend and restate Greenlane Holdings, LLC's existing operating agreement effective as of the completion of this offering to, among other things, convert the Members' existing membership interests in Greenlane Holdings, LLC into Common Units, including unvested membership interests and profits interests into unvested Common Units, and appoint Greenlane Holdings, Inc. as the sole manager of Greenlane Holdings, LLC;
- we will amend and restate our certificate of incorporation to, among other things, provide for Class A common stock, Class B common stock and Class C common stock;
- we will issue shares of Class B common stock to the Non-Founder Members on a one-to-one basis with the number of Common Units they own, for nominal consideration, and shares of Class C common stock to the Founder Members on a three-to-one basis with the number of Common Units they own, for nominal consideration;
- we will issue shares of Class A common stock to the holders of the Convertible Notes at a settlement price equal to 80% of the initial public offering price, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus;
- we will issue shares of our Class A common stock, or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock from the selling stockholders, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus, to the Members upon exchange of an equal number of Common Units, which shares will be sold by the Members as selling stockholders in this offering;
- we will issue shares of our Class A common stock to the purchasers in this offering, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus, and will use all of the net proceeds received by us from such issuance to acquire Common Units from Greenlane Holdings, LLC at a purchase price per Common Unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions, which Common Units, when added to the Common Units we receive from the selling stockholders, will collectively represent % of Greenlane Holdings, LLC's outstanding Common Units following this offering, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock from the selling stockholders;
- Greenlane Holdings, LLC intends to use the proceeds from the sale of Common Units to Greenlane Holdings, Inc. as described in "Use of Proceeds," including to pay the expenses of this offering and for acquisitions of complementary businesses or assets, capital improvements to our warehouses and other facilities, capital expenditures relating to our information technology systems, and working capital and general corporate purposes;

- the Members will continue to own their Common Units not exchanged for the shares of Series A common stock to be sold by them in this offering and will have no economic interests in Greenlane Holdings, Inc. despite their ownership of Class B common stock and Class C common stock, where "economic interests" means the right to receive any distributions or dividends, whether cash or stock, in connection with their common stock; and

- Greenlane Holdings, Inc. will enter into (i) a Tax Receivable Agreement with Greenlane Holdings, LLC and the Members and (ii) a Registration Rights Agreement with the Members who, assuming that all of the Common Units of such Members are redeemed or exchanged for newly-issued shares of Class A common stock on a one-to-one basis, will own shares of Greenlane Holdings, Inc.'s Class A common stock, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus, representing approximately % of the combined voting power of all of Greenlane Holdings, Inc.'s common stock, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock from the selling stockholders. Although the actual timing and amount of any payments that we make to the Members under the Tax Receivable Agreement will vary, we expect those payments will be significant.

Following this offering, Common Units will be redeemable at the election of such Members for newly-issued shares of Class A common stock on a one-to-one basis (and their shares of Class B common stock or Class C common stock, as the case may be, will be cancelled on a one-to-one basis in the case of Class B common stock or three-to-one basis in the case of Class C common stock upon any such issuance). We will have the option to instead make a cash payment equal to a volume weighted average market price of one share of Class A common stock for each Common Unit redeemed (subject to customary adjustments, including for stock splits, stock dividends and reclassifications) in accordance with the terms of the Greenlane Operating Agreement. Our decision to make a cash payment upon a Member's election will be made by our independent directors (within the meaning of the Nasdaq Marketplace Rules) who are disinterested.

Our corporate structure following this offering, as described above, is commonly referred to as an "Up-C" structure, which is often used by partnerships and limited liability companies when they undertake an initial public offering of their business. The Up-C structure will allow the Members to continue to realize tax benefits associated with owning interests in an entity that is treated as a partnership, or "pass-through" entity, for income tax purposes following this offering. One of these benefits is that future taxable income of Greenlane Holdings, LLC that is allocated to the Members will be taxed on a flow-through basis and therefore will not be subject to corporate taxes at the entity level. Additionally, because the Members may redeem their Common Units for shares of our Class A common stock or, at our option, for cash, the Up-C structure also provides the Members with potential liquidity that holders of non-publicly-traded limited liability companies are not typically afforded. See "Description of Capital Stock."

Greenlane Holdings, Inc. will receive the same benefits as the Members because of our ownership of Common Units in an entity treated as a partnership, or "pass-through" entity, for income tax purposes. As we redeem additional Common Units from the Members under the mechanism described above, we will obtain a step-up in tax basis in our share of Greenlane Holdings, LLC's assets. This step-up in tax basis will provide us with certain tax benefits, such as future depreciation and amortization deductions that can reduce the taxable income allocable to us. We expect to enter into the Tax Receivable Agreement with Greenlane Holdings, LLC and each of the Members that will provide for the payment by us to the Members of 85% of the amount of tax benefits, if any, that we actually realize (or in some cases are deemed to realize) as a result of (i) increases in tax basis resulting from the redemption of Common Units and (ii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement.

For a description of the terms of the Registration Rights Agreement and the Tax Receivable Agreement, see "Certain Relationships and Related Party Transactions."

Organizational Structure Following this Offering

Immediately following the completion of the Transactions, including this offering and assuming an offering price of $, the midpoint of the price range set forth on the cover page of this prospectus:

- we will be a holding company and our principal asset will be Common Units;

- we will be the sole manager of Greenlane Holdings, LLC and will control the business and affairs of Greenlane Holdings, LLC and its subsidiaries;

- our amended and restated certificate of incorporation and the Greenlane Operating Agreement will require that (i) we at all times maintain a ratio of one Common Unit owned by us for each share of Class A common stock issued by us (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities), and (ii) Greenlane Holdings, LLC at all times maintain (x) a one-to-one ratio between the number of shares of Class A common stock issued by us and the number of Common Units owned by us, (y) a one-to-one ratio between the number of shares of Class B common stock owned by the Non-Founder Members and the number of Common Units owned by the Non-Founder Members, and (z) a three-to-one ratio between the number of shares of Class C common stock owned by the Founder Members and their affiliates and the number of Common Units owned by the Founder Members and their affiliates;

- we will own Common Units representing % of the economic interest in Greenlane Holdings, LLC, or Common Units representing % of the economic interest in Greenlane Holdings, LLC if the underwriters exercise in full their option to purchase additional shares of Class A common stock, where "economic interests" means the right to receive any distributions, whether cash, property or securities of Greenlane Holdings, LLC, in connection with Common Units;

- the purchasers in this offering (i) will own shares of Class A common stock, representing approximately % of the combined voting power of all of our common stock, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock, (ii) will own 100% of the economic interest in us, and (iii) through our ownership of Common Units, indirectly will hold approximately % of the economic interest in Greenlane Holdings, LLC, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock;

- the Non-Founder Members will own (i) Common Units, of which Common Units will be subject to certain vesting conditions (the "Non-Vested Common Units"), representing % of the economic interest in Greenlane Holdings, LLC, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock, and (ii) through their ownership of Class B common stock, approximately % of the voting power in Greenlane Holdings, Inc., or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock;

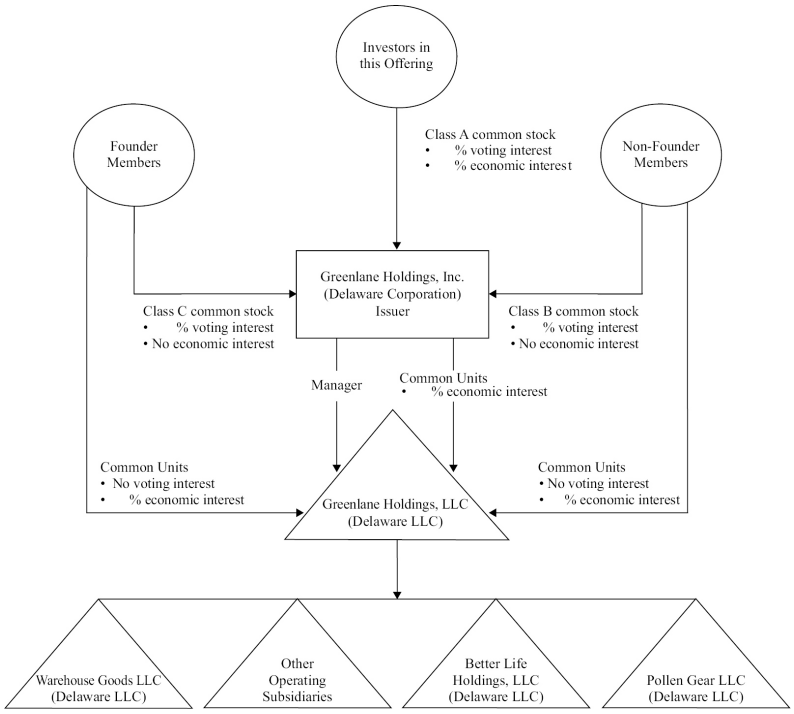
- the Founder Members will own (i) Common Units, representing % of the economic interest in Greenlane Holdings, LLC, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock, and (ii) through their ownership of Class C common stock, approximately % of the voting power in Greenlane Holdings, Inc., or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock;

- following the offering, each Common Unit, other than the Non-Vested Common Units, held by the Members will be immediately redeemable, at the election of such Members, for newly-issued shares of Class A common stock on a one-for-one basis or, at our option, a cash payment equal to a volume weighted average market price of one share of Class A common stock for each Common Unit redeemed (subject to customary adjustments, including for stock splits, stock dividends and reclassifications) in accordance with the terms of the Greenlane Operating Agreement. See "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement." Our decision to make a cash payment upon a Member's election will be made by our independent directors (within the meaning of the Nasdaq Marketplace Rules) who are disinterested. Shares of our Class B common stock and Class C common stock, as the case may be, will be cancelled on a one-to-one or a three-to-one basis, respectively, if we, at the election of a Member, redeem or exchange Common Units of such Member pursuant to the terms of the Greenlane Operating Agreement; and

- the Members collectively (i) will own Class B common stock and Class C common stock representing approximately % of the combined voting power of all of our common stock, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock, and (ii) will own % of the economic interest in Greenlane Holdings, LLC, or %, if the underwriters exercise in full their option to purchase additional shares of Class A common stock, representing a direct interest through the Members' ownership of Common Units.

As the sole manager of Greenlane Holdings, LLC, we will operate and control all of the business and affairs of Greenlane Holdings, LLC, and, through Greenlane Holdings, LLC and its subsidiaries, conduct our business. Although we will have a minority economic interest in Greenlane Holdings, LLC, we will have the sole voting interest in, and control the management of, Greenlane Holdings, LLC, and will have the obligation to absorb losses of, and receive benefits from, Greenlane Holdings, LLC, that could be significant. As a result, we have determined that, after the Transactions, Greenlane Holdings, LLC will be a variable interest entity, or VIE, and that we will be the primary beneficiary of Greenlane Holdings, LLC. Accordingly, pursuant to the VIE accounting model, we will consolidate Greenlane Holdings, LLC in our consolidated financial statements and will report a non-controlling interest related to the Common Units held by the Members on our consolidated financial statements. We will have a board of directors and executive officers, but will have no employees. The business operating functions of all of our employees are expected to reside at Greenlane Holdings, LLC or its subsidiaries.

The following diagram shows our organizational structure after giving effect to the Transactions, including this offering, assuming an initial public offering price at the midpoint of the price range set forth on the cover page of this prospectus and no exercise by the underwriters of their option to purchase additional shares of Class A common stock:



USE OF PROCEEDS

We estimate that the net proceeds from our issuance and sale of shares of Class A common stock in this offering will be approximately $, assuming an initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses of approximately $ payable by us.

The selling stockholders expect to receive net proceeds of approximately $ from the sale of shares of Class A common stock in this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, and after deducting underwriting discounts and commissions payable by the selling stockholders (or if the underwriters exercise in full their over-allotment option, we estimate that the selling stockholders will receive net proceeds of approximately $ million). We will not receive any proceeds from the sale of shares by the selling stockholders, including any shares sold to the underwriters upon exercise of their right to purchase additional shares of Class A common stock. See "Principal and Selling Stockholders."

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) the net proceeds to us by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses.

We intend to use the net proceeds to us from this offering to purchase Common Units (assuming an initial offering price per share of Class A common stock in this offering of $ per share, the midpoint of the price range set forth on the cover page of this prospectus) directly from Greenlane Holdings, LLC at a purchase price per Common Unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions.

We intend to cause Greenlane Holdings, LLC to use the proceeds it receives to pay the expenses of this offering, which are estimated to be approximately $. We also intend to cause Greenlane Holdings, LLC to use approximately $ of the net proceeds from this offering for capital improvements to our warehouses and other facilities and for capital expenditures relating to our information technology systems. In addition, we intend to cause Greenlane Holdings, LLC to use approximately $ of the net proceeds from this offering to fund possible investments in, and acquisitions of, complementary companies or their assets, businesses, partnerships, minority investments, products or technologies. However, we currently have no commitments or agreements regarding any such acquisitions or investments. The balance of the net proceeds, and if no suitable acquisitions or investments are identified, the portion of the net proceeds we have allocated for such purposes, will be used for working capital and other general corporate purposes.

While we intend to allocate the net funds available to Greenlane Holdings, LLC for the purposes outlined above, there may be circumstances under which, for sound business reasons, a reallocation of funds may be necessary. As a result, our board of directors and management will retain broad discretion over the allocation of the net proceeds of this offering. See "Risk Factors."

Until we use the net proceeds of this offering in our business, such funds will be managed through a treasury management program under the supervision of our Chief Financial Officer and invested in short-term, interest-bearing investments, which may include interest-bearing bank accounts, money market funds, certificates of deposit and U.S. government securities.

In addition, in an effort to reduce our interest expense on our bank line of credit, we may use such net proceeds to repay all or a portion of our borrowings under our line of credit, but only if we will be permitted under our line of credit to re-borrow such amounts, and to use such funds when required for one or more of the purposes outlined above.

DIVIDEND POLICY

We currently do not plan to declare cash dividends on shares of our Class A common stock in the foreseeable future. Holders of our Class B common stock and our Class C common stock are not entitled to participate in any dividends declared by our board of directors. No decision has been made with respect to the amount and timing of dividend payments, if any. However, we expect that we will retain all of our future earnings for use in the operation and expansion of our business. Subject to the foregoing, the payment of cash dividends in the future, if any, to holders of Class A common stock will be at the discretion of our board of directors and will depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions, including restrictions in Greenlane Holdings, LLC's debt agreements, number of shares of Class A common stock outstanding and other factors our board of directors may deem relevant.

As a holding company, substantially all of our operations are carried out by Greenlane Holdings, LLC and its subsidiaries. As a result, our ability to pay dividends depends on our receipt of loans, distributions or dividends and other payments from our operating subsidiaries, which may further restrict our ability to make distributions or pay dividends as a result of restrictions on their ability to pay dividends to us under future indebtedness that we or they may incur. Under its current credit agreement, Greenlane Holdings, LLC is restricted from making distributions or paying cash dividends or making certain other restricted payments, and we expect these restrictions to continue in the future, which may in turn limit our ability to pay dividends on our Class A common stock. Our ability to pay dividends may also be restricted by the terms of any future credit agreement or any future debt or preferred equity securities of us or our subsidiaries. See "Risk Factors — Risks Related to this Offering and Ownership of Our Class A Common Stock" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Line of Credit and Term Loan."

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization as of December31, 2018 of:

- Greenlane Holdings, LLC and its subsidiaries on an actual basis;
- Greenlane Holdings, LLC and its subsidiaries on a pro forma basis after giving effect to (i) the issuance in January 2019 of $8.05 million aggregate principal amount of additional Convertible Notes and subsequent redemption of membership units from members of Greenlane Holdings, LLC using a portion of the net proceeds received from the sale of such Convertible Notes, (ii) the issuance in January 2019 of new profits interest awards to former phantom equity award holders and the issuance in February 2019 of new profits interest awards to employees, and (iii) the acquisition by Greenlane Holdings, LLC of Pollen Gear LLC in January 2019;
- Greenlane Holdings, Inc. and its subsidiaries on a pro forma basis after giving effect to (i) the issuance in January 2019 of $8.05 million aggregate principal amount of additional Convertible Notes and subsequent redemption of membership units from members of Greenlane Holdings, LLC using a portion of the net proceeds received from the sale of such Convertible Notes, (ii) the issuance in January 2019 of new profits interest awards to former phantom equity award holders and the issuance in February 2019 of new profits interest awards to employees, and (iii) the acquisition by Greenlane Holdings, LLC of Pollen Gear LLC, in January 2019 and (iv) the organizational transactions described under “The Transactions”, excluding this offering, and
- Greenlane Holdings, Inc. and its subsidiaries on a pro forma after giving effect to (i) the issuance in January 2019 of $8.05 million aggregate principal amount of additional Convertible Notes and subsequent redemption of membership units from members of Greenlane Holdings, LLC using a portion of the net proceeds received from the sale of such Convertible Notes, (ii) the issuance in January 2019 of new profits interest awards to former phantom equity award holders and the issuance in February 2019 of new profits interest awards to employees, and (iii) the acquisition by Greenlane Holdings, LLC of Pollen Gear LLC in January 2019, and (iv) the organizational transactions described under “The Transactions,” and further adjusted to include the sale of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses that we expect to pay, the application of the net proceeds from this offering as described under “Use of Proceeds” and the conversion of the Convertible Notes into shares of Class A common stock based upon such assumed initial public offering price of the Class A common stock.

This table should be read in conjunction with “Use of Proceeds”, “Selected Historical Consolidated Financial and Other Data”, “Unaudited Pro Forma Consolidated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and the consolidated financial statements and notes thereto appearing elsewhere in this prospectus.

	As of December 31, 2018			
	Greenlane Holdings, LLC Actual	Pro Forma Greenlane Holdings, LLC	Pro Forma Greenlane Holdings, Inc.	Pro Forma As Adjusted Greenlane Holdings, Inc.[3]
	(unaudited)			
Cash	$ 7,341,485	$ 12,463,420	$ 12,463,420	$
Debt, including current portion				
Note payable	8,344,616	8,344,616	8,344,616	8,344,616
Line of credit[1]	—	—	—	—
Convertible Note	40,200,000	48,250,000	48,250,000	—
Total long term debt, including current portion	48,544,616	56,594,616	56,594,616	8,344,616
Redeemable Class B Units	10,032,509	16,278,190	—	—
Total members/stockholders’ equity:				
Members’ equity (deficit)				
Class A units	(10,773,187)	(13,375,618)	—	—
Common units	—	—		
Profits interest units	—	—	—	—

	As of December 31, 2018			
	Greenlane Holdings, LLC Actual	Pro Forma Greenlane Holdings, LLC	Pro Forma Greenlane Holdings, Inc.	Pro Forma As Adjusted Greenlane Holdings, Inc.[3]
	(unaudited)			
Stockholders' equity (deficit)				
Class A common stock, par value $0.01 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—	—		
Class B common stock, par value $0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—	—		
Class C common stock, par value $0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—	—		
Preferred stock, par value $0.01 per share, shares authorized on a pro forma basis, no shares issued and outstanding on a pro forma basis	—	—	—	—
Additional paid-in-capital	—	—		
Accumulated other comprehensive loss	(285,992)	(285,992)	(285,992)	(285,992)
Total members'/stockholders' equity	(11,059,179)	(13,661,610)		
Non-controlling interest[2]	—	—		
Total capitalization	$47,517,946	$59,211,196	$	$

(1) Our revolving credit facility provides for up to $15.0 million in revolving loans. As of December 31, 2018, we had $15.0 million of available borrowing capacity under our revolving credit facility.

(2) On a pro forma basis and a pro forma as adjusted basis, includes the ownership interests of Greenlane Holdings, LLC not owned by Greenlane Holdings, Inc., which represents % of the outstanding Common Units of Greenlane Holdings, LLC held by the Members.

(3) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus) would increase or decrease each of additional paid-in capital, total members'/stockholders' equity and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions.

In the table above, the number of shares of Class A common stock outstanding as of December 31, 2018 on a pro forma as adjusted basis excludes:

- shares of our Class A common stock that may be issuable upon exercise of the Members' rights to redeem their Common Units, assuming an offering price per share of $, the midpoint of the price range set forth on the cover page of this prospectus; and
- shares of our Class A common stock reserved for future issuance under our 2019 Equity Incentive Plan, including shares of Class A common stock issuable upon the exercise of stock options our board of directors has approved in connection with this offering (based on an assumed initial public offering price in this offering of $ per share, the midpoint of the price range set forth on the cover page of this prospectus).

The shares of Class B common stock to be outstanding on a pro forma and pro forma as adjusted basis is based on Common Units held by the Non-Founder Members as of December 31, 2018 (based on an assumed initial public offering price in this offering of $ per share, the midpoint of the price range set forth on the cover page of this prospectus). The shares of Class C common stock to be outstanding on a pro forma and pro forma as adjusted basis following this offering is based on Common Units held by the Founder Members and their affiliates as of December 31, 2018 (based on an assumed initial public offering price in this offering of $ per share, the midpoint of the price range set forth on the cover page of this prospectus).

The foregoing table assumes no exercise of the underwriters' option to purchase additional shares of Class A common stock in this offering from the selling stockholders.

DILUTION

The Members will maintain holdings of Common Units in Greenlane Holdings, LLC after the Transactions. Because the Members will not own any Class A common stock or have any right to receive distributions from Greenlane Holdings, Inc. immediately following this offering, absent further action involving the redemption or exchange of by the Members Common Units for shares of our Class A common stock, we have presented the dilution in pro forma net tangible book value per share both before and after this offering assuming that all of the holders of Common Units (other than our company) had their Common Units redeemed or exchanged for newly-issued shares of Class A common stock on a one-to-one basis (rather than for cash) and the cancellation for no consideration of all of their shares of Class B common stock and Class C common stock (which are not entitled to receive distributions or dividends, whether cash or stock from our company) in order to more meaningfully present the potential dilutive impact on the investors in this offering. We refer to the assumed redemption or exchange of all Common Units for shares of Class A common stock as described in the previous sentence as the "Assumed Redemption."

If you purchase our Class A common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the net tangible book value per share of our Class A common stock after this offering. Dilution results from the fact that the initial public offering price per share of our Class A common stock is substantially in excess of the book value per share of Class A common stock attributable to the existing stockholders for the currently outstanding shares of Class A common stock after giving effect to the Assumed Redemption.

Our pro forma net tangible book value as of December31, 2018 was $ million, or $ per share of our Class A common stock owned by our Founder and Non-Founder Members. Pro forma net tangible book value represents the amount of our total tangible assets (total assets less total intangible assets) less total liabilities, after giving effect to (i) the acquisition by Greenlane Holdings, LLC of Pollen Gear LLC on January 14, 2019, (ii) the sale by Greenlane Holdings, LLC of $8.05million aggregate principal amount of additional Convertible Notes in January 2019 and the subsequent redemption of membership interests of Greenlane Holdings, LLC with a portion of the net proceeds of the Convertible Notes and (iii) the assumed completion of the organizational transactions described under "The Transactions." Pro forma net tangible book value per share represents our pro forma net tangible book value divided by the total number of shares of Class A common stock outstanding as of December 31, 2018 (shares, assuming an initial offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), after giving effect to the transactions described under "The Transactions," the issuance of shares of Class A common stock upon the automatic share settlement of the Convertible Notes and the Assumed Redemption.

After giving effect to the sale of the shares of Class A common stock offered by us in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, less estimated underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value as of December 31, 2018 would have been approximately $ million, or $ per share of Class A common stock after giving effect to the Transactions described under the caption "The Transactions," the issuance of shares of Class A common stock upon the automatic share settlement of the Convertible Notes and the Assumed Redemption. This represents an immediate increase in net tangible book value to our existing stockholders of $ per share and an immediate dilution to purchasers in this offering of $ per share. The following table illustrates this pro forma per share dilution in net tangible book value to purchasers.

Assumed initial public offering price per share	$
Pro forma net tangible book value per share as of December 31, 2018	
Increase per share attributable to purchasers in this offering	
Pro forma net tangible book value per share after giving effect to this offering	
Dilution in pro forma net tangible book value per share to purchasers in this offering	

A $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, would increase or decrease pro forma net tangible book value by $ million, or $ per share, and would increase or decrease the dilution per share to purchasers in this offering by $, based on the assumptions set forth above.

The following table presents, as of December 31, 2018, after giving effect to the issuance of shares of Class A common stock upon the automatic share settlement of the Convertible Notes, the Assumed Redemption and the sale by us of shares of our Class A common stock in this offering, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, the difference between the existing stockholders, which are the Members and the purchasers of the Convertible Notes, and the investors purchasing shares of our Class A common stock in this offering with respect to the number of shares of our common stock purchased from us, the total consideration paid or to be paid to us, and the average price per share paid or to be paid to us, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders		%		%	
New investors					
Total		%		%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by investors purchasing shares in this offering and total consideration paid by all stockholders by approximately $ million, assuming the number of shares of our Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our Class A common stock from the selling stockholders. If the underwriters' option to purchase additional shares of our Class A common stock were exercised in full, our existing stockholders, which are the Members and the purchasers of the Convertible Notes, would own % and the investors purchasing shares of our Class A common stock in this offering would own % of the total number of shares of our Class A common stock outstanding immediately after completion of this offering, assuming the redemption or exchange of all outstanding Common Units for shares of Class A common stock.

In the discussion above, the number of shares of our Class A common stock that will be outstanding after this offering excludes:

- shares of Class A common stock that may be issuable upon the redemption of unvested Common Units to be issued in connection with the Transactions in respect of unvested profits interests in Greenlane Holdings, LLC and phantom stock units of Warehouse Goods LLC outstanding as of December 31, 2018 that have since been exchanged for unvested membership interests in Greenlane Holdings, LLC; and
- shares of our Class A common stock reserved for future issuance under our 2019 Equity Incentive Plan, including shares of our Class A common stock issuable upon the exercise of stock options our board of directors has approved in connection with this offering (based on an assumed initial public offering price in this offering of $ per share, the midpoint of the price range set forth on the cover page of this prospectus).

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables set forth the selected consolidated historical financial information and other data for Greenlane Holdings, LLC and its subsidiaries. Greenlane Holdings, LLC is our predecessor for financial reporting purposes. You should read the information set forth below in conjunction with "Use of Proceeds," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated historical financial statements and notes thereto of Greenlane Holdings, LLC included elsewhere in this prospectus.

The statement of operations data for the years ended December31, 2018 and 2017 and the balance sheet data as of December 31, 2018 and 2017 are derived from the audited consolidated financial statements of Greenlane Holdings, LLC included elsewhere in this prospectus. The selected consolidated financial and other data of our company, Greenlane Holdings, Inc., has not been presented as we are a newly-incorporated entity, have had no business transactions or activities to date and had no assets or liabilities during the periods presented in this section.

See "Index to Consolidated Financial Statements."

	Year Ended December 31,	
	2018	**2017**
Statement of Operations Data:		
Net sales	$178,934,937	$ 88,259,975
Gross profit	35,735,363	20,570,397
Operating expenses	38,215,707	17,854,624
Income from operations	(2,480,344)	2,715,773
Other expense, net	(3,088,046)	(241,683)
(Loss) income before income taxes	(5,568,390)	2,474,090
Net (loss) income	(5,887,711)	2,291,557
Other Data:		
Adjusted EBITDA[(1)]	$4,101,879	$ 3,506,982

(1) Adjusted EBITDA is defined as net (loss) income before interest expense, income tax expense, depreciation and amortization expense, equity-based compensation expense, other income, net, and non-recurring expenses primarily related to our transition to being a public company. These non-recurring expenses, which are reported within general and administrative expenses in our consolidated statements of operations, represent fees and expenses primarily attributable to consulting fees and incremental audit and legal fees. Adjusted EBITDA eliminates the effects of items that we do not consider indicative of our core operating performance and that are included in the calculation of net income. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measure — Adjusted EBITDA" for a discussion of adjusted EBITDA and a reconciliation of adjusted EBITDA to net (loss) income, the most directly comparable measure under U.S. GAAP.

	As of December 31,	
	2018	**2017**
Balance Sheet Data:		
Cash	$ 7,341,485	$ 2,080,397
Accounts receivable, net	8,217,787	3,759,551
Inventories, net	29,502,074	14,159,693
Total current assets	57,105,170	23,288,456
Goodwill and intangible assets, net	9,108,100	4,706,005
Total assets	78,021,174	29,571,827
Total current liabilities	30,434,792	19,519,682
Total liabilities	79,047,844	20,175,994
Total redeemable Class B units (temporary equity)	10,032,509	—
Total members' (deficit) equity	(11,059,179)	9,395,833
Total liabilities, redeemable Class B units, and members' (deficit) equity	78,021,174	29,571,827

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following summary unaudited pro forma consolidated statements of operations for the year ended December 31, 2018 presents our consolidated results of operations after giving effect to (i) the acquisition by Greenlane Holdings, LLC of Better Life Holdings, LLC and Pollen Gear LLC, (ii) the organizational transactions described under "The Transactions," and (iii) this offering and the use of proceeds from this offering, as if each had been completed as of January 1, 2018. The following pro forma consolidated balance sheet presents our consolidated financial position as of December 31, 2018 after giving effect to (i) the issuance in January 2019 of $8.05 million aggregate principal amount of additional Convertible Notes and subsequent redemption of membership units from members of Greenlane Holdings, LLC using a portion of the net proceeds received from the sale of such Convertible Notes, (ii) the issuance in January 2019 of new profits interest awards to former phantom equity award holders and the issuance in February 2019 of new profits interest awards to employees, (iii) the acquisition by Greenlane Holdings, LLC of Pollen Gear LLC in January 2019, (iv) the organizational transactions described under "The Transactions," and (v) this offering and the use of proceeds from this offering, as if each had been completed as of December 31, 2018.

As a public company, we will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur additional annual expenses related to these steps and, among other things, additional directors' and officers' liability insurance, director fees, reporting requirements of the SEC transfer agent fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses. We have not included any pro forma adjustments relating to these costs, other than the compensation expense associated with the initial stock option grants to our non-employee directors on the closing date of this offering.

The unaudited pro forma consolidated financial information has been prepared based on the historical financial statements of Greenlane Holdings, LLC, our predecessor, and the assumptions and adjustments as described in the notes to the unaudited pro forma consolidated financial information. The pro forma adjustments are based upon available information and methodologies that are factually supportable and directly attributable to the transactions referred to above. In addition, the unaudited pro forma consolidated statements of operations reflect only those adjustments that are expected to have a continuing impact on our results of operations. The unaudited pro forma consolidated financial statements are presented for illustrative purposes only and do not purport to represent our consolidated results of operations or consolidated financial position that would actually have occurred had the transactions referred to above been consummated on the dates assumed or to project our consolidated results of operations or consolidated financial position for any future date or period. Furthermore, the unaudited consolidated pro forma financial information presented assumes no exercise by the underwriters of their overallotment option.

As described in greater detail under "Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement," in connection with the completion of this offering, we will enter into the Tax Receivable Agreement with the Members that will provide for the payment by our company to the Members of 85% of the amount of tax benefits, if any, that we actually realize as a result of (i) increases in the tax basis of assets of Greenlane Holdings, LLC resulting from any redemptions or exchanges of Common Units as described under "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement — Common Unit Redemption Right" and (ii) certain other tax benefits related to our making payments under the Tax Receivable Agreement. Due to the uncertainty in the amount and timing of future exchanges of Common Units by the Members, the unaudited pro forma consolidated financial information assumes that no exchanges of Common Units have occurred and therefore no increases in tax basis in Greenlane Holdings, LLC's assets or other tax benefits that may be realized thereunder have been assumed in the unaudited pro forma consolidated financial information. However, if all of the Members were to exchange their Common Units, we would recognize a deferred tax asset of approximately $ million and a liability of approximately $ million, assuming (i) all exchanges occurred on the same day; (ii) a price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus); (iii) a constant corporate tax rate of %; (iv) we will have sufficient taxable income to fully utilize the tax benefits; and (v) no material changes in tax law. For each 5% increase (decrease) in the amount of Common Units exchanged by the Members, our deferred tax asset would increase (decrease) by approximately $ million and the related liability would increase (decrease) by approximately $ million, assuming that the price per share and corporate tax rate remain the same. For each $1.00 increase (decrease) in the assumed share price of $ per share, our deferred tax asset would increase

(decrease) by approximately $ million and the related liability would increase (decrease) by approximately $ million, assuming that the number of Common Units exchanged by the Members and the corporate tax rate remain the same. These amounts are estimates and have been prepared for informational purposes only. The actual amount of deferred tax assets and related liabilities that we will recognize will differ based on, among other things, the timing of the exchanges, the price of our shares of Class A common stock at the time of the exchange, and the tax rates then in effect.

The presentation of the unaudited pro forma consolidated financial information is prepared in conformity with Article 11 of Regulation S-X.

The historical financial information of Greenlane Holdings, LLC has been derived from its consolidated financial statements and accompanying notes included elsewhere in this prospectus. The unaudited pro forma consolidated financial information should be read together with "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," the historical consolidated financial statements and related notes thereto of Greenlane Holdings, LLC included elsewhere in this prospectus, the historical consolidated financial statements and notes thereto of Better Life Holdings, LLC included elsewhere in this prospectus and the historical consolidated financial statements and notes thereto of Pollen Gear LLC included elsewhere in this prospectus.

Greenlane Holdings, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet
As of December 31, 2018

	Historical Greenlane Holdings, LLC[(a)]	Convertible Note Issuance and Redemption[(b)]	Historical Pollen Gear, LLC[(d)]	Business Combination Adjustments[(e)]	Greenlane Holdings, LLC Pro Forma	Transactions Adjustments	As Adjusted Before Offering	Offering Adjustments	Pro Forma Greenlane Holdings, Inc.
ASSETS									
Current assets									
Cash	$ 7,341,485	$ 5,031,250[(b)]	$ 248,159	$ (157,474)[(e)]	$ 12,463,420	$ —	$ 12,463,420	$ [(h)]	$
Accounts receivable, net	8,217,787	—	832,253	(832,253)[(e)]	8,217,787	—	8,217,787	—	8,217,787
Inventories, net	29,502,074	—	897,949	(897,949)[(e)]	29,502,074	—	29,502,074	—	29,502,074
Vendor deposits	7,917,148	—	1,019,776	(1,115,088)[(e)]	7,821,836	—	7,821,836	—	7,821,836
Deferred offering costs	2,284,423	—	—	—	2,284,423	—	2,284,423		2,284,423
Other current assets	1,842,253	—	18,377	—	1,860,630	—	1,860,630	[(i)]	
Total current assets	57,105,170	5,031,250	3,016,514	(3,002,764)	62,150,170	—	62,150,170	—	
Deferred financing costs	92,080	—	—	—	92,080	—	92,080	—	92,080
Property and equipment, net	11,640,824	—	340,797	10,999[(e)]	11,992,620	—	11,992,620	—	11,992,620
Intangible assets, net	3,662,409	—	360,462	2,234,538[(e)]	6,257,409	—	6,257,409	—	6,257,409
Goodwill	5,445,691	—	—	3,549,498[(e)]	8,995,189	—	8,995,189	—	8,995,189
Investments in associated entities	75,000	—	—	—	75,000	—	75,000	—	75,000
Deferred tax asset	—	—	—	—	—	—	—	[(g)]	
Total assets	$ 78,021,174	$ 5,031,250	$3,717,773	$ 2,792,271	$ 89,562,468	$ —	$89,562,468	$ —	
LIABILITIES									
Current liabilities									
Accounts payable	$ 20,226,696	$ —	$ 682,664	$ (847,421)[(e)]	$ 20,061,939	$ —	$ 20,061,939	$ —	$20,061,939
Customer Deposits	—	—	1,862,724	(1,862,724)[(e)]	—	—	—	—	—
Accrued expenses	9,945,156	—	214,142	(201,341)[(e)]	9,957,957	—	9,957,957	—	9,957,957
Current portion of notes payable	168,273	—	—	—	168,273	—	168,273	—	168,273
Convertible notes payable, current portion	—	—	1,500,500	(1,500,500)[(e)]	—	—	—	—	—
Current portion of capital lease obligations	94,667	—	—	—	94,667	—	94,667	—	94,667
Current portion of Tax Receivable Agreement liability	—	—	—	—	—	—	—	[(g)]	
Total current liabilities	30,434,792	—	4,260,030	(4,411,986)	30,282,836	—	30,282,836		
Convertible Notes	40,200,000	8,050,000[(b)]	—	—	48,250,000	—	48,250,000	[(b)]	—
Note payable, less current portion and debt issuance costs, net	8,176,343	—	—	—	8,176,343	—	8,176,343	—	8,176,343
Capital lease obligations, noncurrent	236,709	—	—	—	236,709	—	236,709	—	236,709
Tax Receivable Agreement liability, net of current portion	—	—	—	—	—	—	—	[(g)]	
Total long-term liabilities	48,613,052	8,050,000	—	—	56,663,052	—	56,663,052		
Total liabilities	79,047,844	8,050,000	4,260,030	(4,411,986)	86,945,888	—	86,945,888		
Commitments and contingencies									
REDEEMABLE CLASS B UNITS	10,032,509	(416,319)[(b)]	—	6,662,000[(e)]	16,278,190	(16,278,190)[(f)]	—	—	—
EQUITY									
Members' equity									
Class A units	(10,773,187)	(2,602,431)[(b)]	—	—	(13,375,618)	13,375,618[(f)]	—	—	—
Common Units	—	—	—	—	—	[(c)(f)]		[(b)]	
Profits interest units	—[(c)]	—	—	—	—	[(c)]	—	—	—
Stockholders' equity									
Class A common stock, par value $0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—	—	—	—	—	[(f)]		[(h)(b)]	
Class B common stock, par value $0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—	—	—	—	—	[(f)]			
Class C common stock, par value $0.0001 per share, shares authorized on a pro forma basis, shares issued and outstanding on an as adjusted basis	—	—	—	—	—	[(f)]			

Preferred stock, par value $0.01 per share, shares authorized on a pro forma basis, no shares issued and outstanding on a pro forma basis	—	—	—	—	—	—	—	—	—
Additional paid-in-capital	—	—	—	—	—	(f)		(h)(f)(g)	
Accumulated deficit	—	—	(542,257)	542,257 (e)	—	—	—	—	—
Accumulated other comprehensive loss	(285,992)	—	—	—	(285,992)	—	(285,992)	—	(285,992)
Total members'/stockholders' equity (deficit)	(11,059,179)	(2,602,431)	(542,257)	542,257	(13,661,619)				
Non-controlling interest	—	—	—	—	—	(j)		(j)	
Total liabilities, redeemable Class B units and members'/stockholders' equity (deficit)	$ 78,021,174	$ 5,031,250	$3,717,773	$ 2,792,271	$ 89,562,468	$	$	$	$

See accompanying Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet

Greenlane Holdings, Inc.
Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

(a) Greenlane Holdings, Inc. was incorporated on May 2, 2018, and will have no material assets or results of operations until the completion of the Transactions and this offering. As a result, its historical financial position is not shown in a separate column in this unaudited pro forma condensed consolidated balance sheet.

(b) In January 2019, Greenlane Holdings, LLC issued and sold $8.05million aggregate principal amount of additional convertible promissory notes (the "Convertible Notes") in a private placement transaction. The Convertible Notes do not accrue interest and will automatically settle into shares of our Class A common stock in connection with the closing of this offering at a settlement price equal to 80% of the initial public offering price per share set forth on the cover page of this prospectus. Of the net proceeds received from the sale of the Convertible Notes in January 2019, approximately $3.0 million was used to redeem membership units from certain members of Greenlane Holdings, LLC, including an aggregate of approximately $2.6 million for the redemption of membership units from the Founder Members, and the balance of such net proceeds has been or will be used for general corporate purposes. The redemption of such membership units will be settled concurrently with the automatic settlement of the Convertible Notes into Class A common stock by the cancellation by Greenlane Holdings, LLC of an aggregate of Common Units (the "Common Unit Redemption Settlement") held by Members who received the redemption payments from Greenlane Holdings, LLC.

(c) In January 2019, Greenlane Holdings, LLC entered into profits interest award agreements with three employees who were previously awarded phantom equity units. The profits interest award agreements effectively cancelled the phantom equity award agreements upon execution. The new profits interest awards were unvested on the grant date. As a result, no financial impact due to the issuance of such awards is reflected in the accompanying pro forma consolidated balance sheet as of December 31, 2018.

In February 2019, Greenlane Holdings, LLC entered into profits interest award agreements with four employees. The profits interest awards were unvested on the grant date. As a result, no financial impact due to the issuance of such awards is reflected in the accompanying pro forma consolidated balance sheet as of December 31, 2018.

These transactions are presented only on the unaudited pro forma consolidated balance sheet and not in the pro forma condensed income statement. The charges resulting directly from these transactions are considered nonrecurring in nature.

(d) Pollen Gear LLC's financial statements presented in the accompanying unaudited pro forma consolidated balance sheet reflect the historical amounts as of December 31, 2018.

(e) On January 14, 2019, Greenlane Holdings, LLC purchased all of the outstanding securities of Pollen Gear LLC, in exchange for redeemable Class B membership units of Greenlane Holdings, LLC. The preliminary fair value estimate of the total purchase consideration was approximately $6,662,000. The preliminary purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Pollen Gear LLC	
Cash	$ 90,685
Accounts receivable	510,201
Vendor deposits	1,728,256
Other deposits	18,377
Trade name	918,000
Design libraries	1,677,000
Goodwill	3,549,498
Property and equipment, net	351,796
Accounts payable	(345,444)
Customer deposits	(1,823,568)
Accrued expenses	(12,801)
Total purchase price	$ 6,662,000

This preliminary purchase price allocation has been used to prepare pro forma adjustments in the pro forma balance sheet and income statement. The final purchase price allocation will be determined when Greenlane Holdings, LLC has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include changes in allocations to intangible assets and goodwill, and other changes to assets and liabilities.

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the unaudited pro forma condensed combined financial information:

(1) The adjustments to cash of approximately $157,000, accounts receivable, net, of approximately $322,000, inventories, net, of approximately $898,000, vendor deposits of approximately $708,000, property and equipment, net, of approximately $11,000, accounts payable of approximately $337,000, customer deposits of approximately $39,000, and accrued expenses of approximately $29,000, represent the working capital adjustments based on the purchase price allocation as of the acquisition date as shown above.

(2) The adjustments to accounts receivable and accounts payable of approximately $510,000 represent the consolidation elimination entries to Pollen Gear LLC's receivables balance due from Greenlane Holdings, LLC, with a corresponding adjustment to Greenlane Holdings, LLC's accounts payable balance due to Pollen Gear LLC as of December 31, 2018.

(3) The adjustments to vendor deposits and customer deposits of approximately $1,824,000 represent the consolidation elimination entries to Greenlane Holdings, LLC's asset balance related to deposits made to Pollen Gear LLC, with a corresponding adjustment to Pollen Gear LLC's customer deposits liability balance as of December 31, 2018.

(4) The adjustments to intangibles and goodwill represent the intangibles assets and goodwill identified as part of the preliminary purchase price allocation.

(5) The adjustments to convertible notes payable, current portion, and accrued interest expense of approximately $173,000 reflect the elimination of Pollen Gear LLC's debt and accrued interest balances related to the convertible notes included in Pollen Gear LLC's historical financial statements. These notes converted to equity securities of Pollen Gear LLC at the time of acquisition by Greenlane Holdings, LLC.

(6) The adjustment to redeemable Class B membership units represents the issuance of redeemable Class B membership units by Greenlane Holdings, LLC to purchase the equity securities of Pollen Gear LLC.

(f) In connection with the completion of the Transactions, we will consummate the following organizational transactions:

(1) we will amend and restate Greenlane Holdings, LLC's existing operating agreement in connection with the completion of this offering to, among other things, convert the Members' existing membership interests in Greenlane Holdings, LLC into Common Units and appoint Greenlane Holdings, Inc. as the manager of Greenlane Holdings, LLC;

(2) we will amend and restate our certificate of incorporation to, among other things, provide for Class A common stock, Class B common stock and Class C common stock;

(3) we will issue shares of Class B common stock to the Non-Founder Members on a one-to-one basis with the number of Common Units they own, for nominal consideration, and shares of Class C common stock to the Founder Members on a three-to-one basis with the number of Common Units they own, for nominal consideration, of which shares of Class B common stock (or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock), and shares of Class C common stock (or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock), will be surrendered upon the redemption by the selling stockholders of Common Units in connection with their sale of Class A common stock in this offering;

(4) we will issue shares of our Class A common stock to the purchasers in this offering in exchange for net proceeds of approximately $ million based upon an assumed initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus),

and based upon such assumed initial public offering price, we will issue shares of our Class A common stock to the holders of the Convertible Notes in settlement of the Convertible Notes;

(5) we will use all of the net proceeds from this offering to purchase newly-issued Common Units directly from Greenlane Holdings, LLC at a price per Common Unit equal to the initial public offering price per share of Class A common stock in this offering less the underwriting discounts and commissions; and

(6) we will receive Common Units (or Common Units if the underwriters exercise in full their option to purchase additional shares of Class A common stock) directly from the Members as selling stockholders in exchange for shares of Class A common stock (or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock).

(g) We will receive the same benefits as the Members because of our ownership of Common Units in an entity treated as a partnership, or "pass-through" entity, for income tax purposes. As we redeem additional Common Units from the Members under the mechanism described above, we will obtain a step-up in tax basis in our share of Greenlane Holdings, LLC's assets. This step-up in tax basis will provide us with certain tax benefits, such as future depreciation and amortization deductions that can reduce the taxable income allocable to us. We expect to enter into the Tax Receivable Agreement with Greenlane Holdings, LLC and each of the Members that will provide for the payment by us to the Members of 85% of the amount of tax benefits, if any, that we actually realize (or in some cases are deemed to realize) as a result of (i) increases in tax basis resulting from the redemption of Common Units and (ii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement. For a description of the terms of the Registration Rights Agreement and the Tax Receivable Agreement, see "Certain Relationships and Related Party Transactions."

We recorded a deferred tax asset of $, a current liability of less than $ and a long-term liability of $ related to the Tax Receivable Agreement liability created by the purchase of Common Units from Members in connection with this offering. The net impact of the adjustments to net deferred taxes and the Tax Receivable Agreement liability of $ has been recorded as an increase to additional paid-in capital, as these adjustments arise from equity transactions of our company.

The amounts to be recorded for both the net deferred tax assets and the liability for our obligations under the Tax Receivable Agreement have been estimated. All of the effects of changes to both the net deferred tax assets and our obligations under the Tax Receivable Agreement after the date of the purchase will be included in net income. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income.

(h) We estimate that the net proceeds from our issuance and sale of shares of Class A common stock in this offering will be approximately $, assuming an initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses of approximately $ payable by us. A reconciliation on the gross proceeds from this offering to the net proceeds is set forth below:

Assumed initial public offering price per share	$
Shares of Class A common stock issued in this offering.	
Gross proceeds	$
Less: underwriting discounts and commissions	
Net cash proceeds to Greenlane Holdings, Inc.	
Less: offering expenses, exclusive of $ previously capitalized	
Net proceeds to Greenlane Holdings, LLC	$

We intend to use the net proceeds received by us from this offering to purchase Common Units directly from Greenlane Holdings, LLC at a price per Common Unit equal to the initial public offering price per share of Class A common stock in this offering, less underwriting discounts and commissions. We will not receive any proceeds from the sale of Class A common stock by the selling stockholders, including any shares sold to the underwriters upon exercise of their right to purchase additional shares of Class

A common stock. We will receive Common Units from the selling stockholders in exchange for the shares of Class A common stock to be sold by the selling stockholders in this offering. We intend to cause Greenlane Holdings, LLC to use the net proceeds from the sale of Common Units to us to pay the expenses of this offering and for investments in, and acquisitions of, complementary companies or their assets, businesses, partnerships, minority investments, products or technologies, capital improvements to our warehouses and other facilities, capital expenditures relating to our information technology systems, and working capital and general corporate purposes. See "Use of Proceeds."

(i) We are deferring certain costs associated with this offering, including certain legal, accounting and other related expenses, which have been recorded in other assets on our consolidated balance sheet. Upon completion of this offering, approximately $ million of these deferred costs will be charged against the proceeds from this offering with a corresponding reduction to additional paid-in capital. The total amount of estimated offering expenses is $ million.

(j) Upon completion of the Transactions, we will become the sole managing member of Greenlane Holdings, LLC. As a result, we will consolidate the financial results of Greenlane Holdings, LLC and will report a non-controlling interest related to the Class B common stock and Class C common stock held by the Members on our consolidated balance sheet. The computation of the non-controlling interest following the consummation of this offering is as follows:

	Common Units	Percentage
Interest in Greenlane Holdings, LLC held by Greenlane Holdings, Inc.		%
Non-controlling interest in Greenlane Holdings, LLC held by Members[1]		
		100.0%

(1) Includes unvested Common Units in Greenlane Holdings, LLC.

If the underwriters exercise their option to purchase additional shares of our Class A common stock in full, Greenlane Holdings, Inc. will own % of the Common Units of Greenlane Holdings, LLC and the Members will own the remaining % of the Common Units of Greenlane Holdings, LLC.

Following the consummation of this offering, the Common Units of Greenlane Holdings, LLC held by the Members will represent the non-controlling interest. Each Member may, at such Member's option, redeem such Member's Common Units for, at our election, either (i) cash or (ii) newly-issued shares of our Class A common stock as described in "Certain Relationships and Related Party Transactions — Greenlane Operating Agreement — Common Unit Redemption."

The following table describes the adjustments to members'/stockholders' equity as part of the offering adjustments and calculates the relevant non-controlling interest in Greenlane Holdings, LLC:

Stockholders' equity at Greenlane Holdings, Inc. prior to the offering adjustments	$
Plus: Purchase of Greenlane Holdings, LLC Common Units with net proceeds of this offering	
Less: Previously deferred offering expenses	
Plus: Converted aggregate Convertible Notes indebtedness	
Stockholders' equity at Greenlane Holdings, Inc. after the offering adjustments	
Non-controlling interest in Greenlane Holdings, LLC held by Members	%
Members' equity attributable to Members' non-controlling interest	
	$

Greenlane Holdings, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
Fiscal Year Ended December 31, 2018

	Historical Greenlane Holdings, LLC[a]	Historical Better Life Holdings, LLC[b]	Historical Pollen Gear LLC[b]	Business Combination Adjustments[c]	Pro Forma Greenlane Holdings, LLC	Transactions Adjustments	As Adjusted Before Offering	Offering Adjustments	Pro Forma Greenlane Holdings, Inc.
Net sales	$178,934,937	$2,564,582	$6,865,516	$(7,361,914)[c]	$181,003,121	$ —	$181,003,121	$ —	$181,003,121
Cost of sales	143,199,574	1,913,692	5,302,209	(6,831,607)[c]	143,583,868	—	143,583,868	—	143,583,868
Gross profit	35,735,363	650,890	1,563,307	(530,307)[c]	37,419,253	—	37,419,253	—	37,419,253
Operating expenses:									
Salaries, benefits and payroll taxes	19,174,531	295,284	550,874	—	20,020,689	—	20,020,689	[d]	
General and administrative	17,549,279	261,764	980,615	(134,186)[c]	18,657,472	—	18,657,472	—	18,657,472
Depreciation and amortization	1,491,897	4,533	58,276	246,790[c]	1,801,496	—	1,801,496	—	1,801,496
Total operating expenses	38,215,707	561,581	1,589,765	112,604	40,479,657	—	40,479,657		
(Loss) Income from operations	(2,480,344)	89,309	(26,458)	(642,911)	(3,060,404)	—	(3,060,404)		
Other income (expense), net:									
Interest expense	(3,192,433)	(324)	(74,346)	74,346[c]	(3,192,757)	—	(3,192,757)	—	(3,192,757)
Other income, net	104,387	2,408	—	—	106,795	—	106,795	—	106,795
Other (expense) income, net	(3,088,046)	2,084	(74,346)	74,346	(3,085,962)	—	(3,085,962)	—	(3,085,962)
(Loss) Income from continuing operations before income taxes	(5,568,390)	91,393	(100,804)	(568,565)	(6,146,366)	—	(6,146,366)	—	
Provision for income taxes	319,321	—	—	—	319,321	—	319,321	[e]	
Net (loss) income	$ (5,887,711)	$ 91,393	$ (100,804)	$ (568,565)	$ (6,465,687)	$ —	$ (6,465,687)	$	$
Net loss attributable to non-controlling interests					—	[f]		[f]	
Net loss attributable to Greenlane Holdings, Inc.					$ (6,465,687)	$	$	$	$
Pro-forma net income per share data (g):									
Weighted average shares of Class A common stock outstanding									
Basic									
Diluted									
Net income available to Class A common stock per share:									
Basic									$
Diluted									$

See accompanying Notes to the Unaudited Pro Forma Consolidated Statement of Operations

(a) Greenlane Holdings, Inc. was formed on May 2, 2018, and will have no results of operations until the completion of this offering. Therefore, its historical results of operations are not shown in a separate column in this unaudited pro forma interim condensed consolidated statement of operations.

(b) Better Life Holdings, LLC's financial statements presented in the accompanying unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2018 reflect the historical results of operations for the period starting January 1 through February 19, 2018. The operating results of Better Life Holdings, LLC since the February 20, 2018 date of acquisition have been included in our historical results of operations for the year ended December 31, 2018.

Pollen Gear LLC's financial statements presented in the accompanying unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2018 reflect the historical results of operations for the period starting January 1 through December 31, 2018. Pollen Gear LLC was acquired by Greenlane Holdings, LLC on January 14, 2019.

(c) In accordance with the rules of Article 11 of Regulation S-X, the following adjustments were made for the acquisition of Better Life Holdings, LLC and Pollen Gear LLC:

(1) The adjustments to net sales represent the consolidation elimination entries to remove (A) Greenlane Holdings, LLC merchandise sales to Better Life Holdings, LLC of approximately $496,000 for the year ended December 31, 2018, and (B) Pollen Gear LLC merchandise sales to Greenlane Holdings, LLC of approximately $6,900,000 for the year ended December 31, 2018.

(2) The adjustments to cost of sales represent the consolidation elimination entries to remove (A) the cost incurred by Better Life Holdings, LLC of approximately $496,000 related to product purchased from Greenlane Holdings, LLC for the year ended December 31, 2018, (B) the cost incurred by Pollen Gear LLC of approximately $5,300,000 related to product sold to Greenlane Holdings, LLC for the year ended December 31, 2018, and (C) the markup included in Greenlane Holdings, LLC's cost of product purchased from Pollen Gear LLC of approximately $1,000,000 for the year ended December 31, 2018.

(3) Increased amortization expense reflects identified intangible assets in the acquisitions of Better Life Holdings, LLC and Pollen Gear LLC. The weighted-average amortization period for all Better Life Holdings, LLC and Pollen Gear LLC intangibles acquired is 11 years. Amortization expense increased approximately $90,000 for the identified intangible assets in the acquisition of Better Life Holdings, LLC for the period January 1 through February 19, 2018. Amortization expense increased approximately $157,000 for the identified intangible assets in the acquisition of Pollen Gear LLC for the year ended December 31, 2018.

(4) The adjustment to interest expense reflects the elimination of interest expense incurred by Pollen Gear LLC related to the convertible notes included in Pollen Gear LLC's historical financial statements, which converted to equity securities of Pollen Gear LLC at the time of acquisition by Greenlane Holdings, LLC.

(5) Direct, incremental transaction costs, which are reflected in our consolidated results of operations for the year ended December 31, 2018, are removed from general and administrative expenses. Direct, incremental transaction costs were approximately $134,000 for the acquisition of Better Life Holdings, LLC.

(d) Represents the increase in compensation expense we expect to incur following the completion of this offering. We expect to grant five-year options to purchase shares of our Class A common stock with a grant date fair value of approximately $70,000 to each of the three non-employee directors who will join our board of directors in connection with the consummation of this offering. The exercise price of such options will be equal to the price per share at which the Class A common stock is sold in this offering,

(e) Greenlane Holdings, LLC is a limited liability company and is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a result, it is not liable for U.S. federal or state and local income taxes in most jurisdictions in which we operate, and the income, expenses, gains and losses are reported on the returns of its members. It is subject to local income tax in certain jurisdictions in which it is not treated like a partnership, where it pays income taxes. After the consummation of this offering, we will become subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Greenlane Holdings, LLC and will be taxed at the prevailing corporate tax rates. In addition to tax expenses, we also will incur expenses related to our operations, plus payments under the Tax Receivable Agreement, which will be significant. After the consummation of this offering, pursuant to the Greenlane Operating Agreement, Greenlane Holdings, LLC will generally make pro rata tax distributions to its members in an amount sufficient to fund all or part of their tax obligations with respect to the taxable income of Greenlane Holdings, LLC that is allocated to them and possibly in excess of such amount. See "Certain Relationships and Related Party Transactions — Greenlane Operating Agreement — Distributions." As a result, the unaudited pro forma consolidated statements of income reflect adjustments to our income tax expense to reflect an effective income tax rate of % for the year ended December 31, 2018, which was calculated assuming the U.S. federal rates currently in effect and the highest statutory rates apportioned to each applicable state, local and foreign jurisdiction.

The income tax expense for the offering adjustments is determined using the Founder Members' economic interest in Greenlane Holdings, LLC of % after giving effect to the issuance of shares of Class A common stock in this offering. The effective tax rate derived from the face of the unaudited pro forma consolidated statement of income will be lower than the stated effective tax rate because the effective tax rate is applied to only % of the income before taxes based on Greenlane Holdings, Inc.'s economic interest in Greenlane Holdings, LLC. Our pro forma allocable share of taxable income from Greenlane Holdings, LLC was $, and our income tax was $ for the year ended December 31, 2018.

(f) Upon completion of the Transactions, Greenlane Holdings, Inc. will become the sole managing member of Greenlane Holdings, LLC. As the manager of Greenlane Holdings, LLC, we will operate and control all of the business and affairs of Greenlane Holdings, LLC, and, through Greenlane Holdings, LLC and its subsidiaries, conduct our business. Although we will have a minority economic interest in Greenlane Holdings, LLC, we will have the sole voting interest in, and control the management of, Greenlane Holdings, LLC, and will have the obligation to absorb losses of, and receive benefits from, Greenlane Holdings, LLC, that could be significant. As a result, we have determined that, after the Transactions, Greenlane Holdings, LLC will be a variable interest entity, or VIE, and that we will be the primary beneficiary of Greenlane Holdings, LLC. Accordingly, pursuant to the VIE accounting model, we will consolidate Greenlane Holdings, LLC in our consolidated financial statements and will report a non-controlling interest related to the Common Units held by the Members on our consolidated statements of income. Following this offering, assuming the underwriters do not exercise their option to purchase additional shares of Class A common stock, Greenlane Holdings, Inc. will own % of the Common Units of Greenlane Holdings, LLC and the Members will own the remaining % of the Common Units of Greenlane Holdings, LLC. Net income attributable to non-controlling interest will represent % of the income before taxes of Greenlane Holdings, Inc. These amounts have been determined based on the assumption that the underwriters' option to purchase additional shares of Class A common stock is not exercised. If the underwriters exercise their option to purchase additional shares of Class A common stock in full, Greenlane Holdings, Inc. will own % of the Common Units of Greenlane Holdings, LLC, the Members will own the remaining % of the Common Units of Greenlane Holdings, LLC and net income attributable to non-controlling interest will represent % of the income before taxes of Greenlane Holdings, Inc.

(g) Pro forma basic net income per share is computed by dividing the net income available to Class A common stockholders by the weighted-average shares of Class A common stock outstanding during the period. Pro forma diluted net income per share is computed by adjusting the net income available to Class A common stockholders and the weighted-average shares of Class A common stock outstanding to

give effect to potentially dilutive securities. Shares of our Class B common stock and Class C common stock are not entitled to receive any distributions or dividends and have no rights to convert into Class A common stock. When a Common Unit is exchanged for, at our election, cash or Class A common stock by a Member who holds shares of our Class B common stock or Class C common stock, such Member will be required to surrender one share of Class B common stock or three shares of Class C common stock, as the case may be, which we will cancel for no consideration. Therefore, we did not include shares of our Class B common stock or Class C common stock in the computation of pro forma basic or diluted net loss per share. The following table sets forth a reconciliation of the numerators and denominators used to compute pro forma basic and diluted net income per share:

	Greenlane Holdings, Inc. Year ended December 31, 2018
Basic net loss per share:	
Numerator	
Net loss	$
Less: Net loss attributable to non-controlling interests	
Net loss attributable to Class A common stockholders	
Denominator	
Shares of Class A common stock held by Members	
Weighted average shares of Class A common stock outstanding	
Basic net income per share	$
Diluted net loss per share:	
Numerator	
Net loss	$
Reallocation of net loss assuming conversion of Common Units[(1)]	
Net loss attributable to Class A common stockholders	
Denominator	
Weighted average shares of Class A common stock outstanding	
Weighted average effect of dilutive securities[(2)]	
Weighted average shares of Class A common stock outstanding – diluted	
Diluted net loss per share	$

(1) The reallocation of net loss assuming conversion of Common Units represents the tax effected net loss attributable to non-controlling interest using the effective income tax rates described in footnote (e) above and assuming all Common Units of Greenlane Holdings, LLC were exchanged for Class A common stock at the beginning of the period. The Common Units of Greenlane Holdings, LLC held by the Members are potentially dilutive securities, and the computations of pro forma diluted net loss per share assume that all Common Units of Greenlane Holdings, LLC were exchanged for shares of Class A common stock at the beginning of the period. This adjustment was made only for purposes of calculating pro forma diluted net loss per share and does not necessarily reflect the amount of exchanges that may occur subsequent to this offering.

(2) Includes outstanding shares of Class A common stock issuable upon the exchange of Common Units to be held by the Members prior to this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the information under the caption "Selected Historical Consolidated Financial and Other Data" and the historical financial statements and the related notes thereto included elsewhere in this prospectus. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this prospectus.

Overview

We are a leading distributor of premium vaporization products and consumption accessories in the United States and have a growing presence in Canada. Our customers include over 6,600 independent smoke shops and regional retail chain stores, which we estimate collectively operate approximately 9,700 retail locations, and hundreds of licensed cannabis cultivators, processors and dispensaries. We also own and operate two of the most visited North American direct-to-consumer e-commerce websites in the vaporization products and consumption accessories industry, *VaporNation.com* and *VapeWorld.com*, which offer convenient, flexible shopping solutions directly to consumers. We are developing a unique e-commerce platform, *Vapor.com*, into which our existing e-commerce websites will be consolidated. Through our expansive North American distribution network and internet presence, we offer a comprehensive selection of more than 5,000 stock keeping units ("SKUs"), including premium vaporizers and parts, cleaning products, grinders and storage containers, pipes, rolling papers and customized lines of premium specialty packaging. Following the passage of the Farm Bill, in February 2019, we commenced distribution of premium products containing hemp-derived CBD.

We have cultivated a reputation for carrying the highest-quality products from large established manufacturers that offer leading brands, such as the Volcano vaporizers by Storz & Bickel, a leading, premium imported vaporizer brand; PAX 3 vaporizers by PAX Labs, a leading, premium hand-held vaporizer brand; JUUL vaporizers by JUUL Labs, a nicotine vaporizer brand that had a market share of over 70% of the e-cigarette industry as of February 2019, according to Nielsen's tracked channels; and vaporizers by Firefly, a premium hand-held vaporizer brand. We also carry the innovative, up-and-coming products of dozens of promising start-up manufacturers, to which we extend the ability to grow and scale quickly. We provide value-added sales services to complement our product offerings and help our customers operate and grow their businesses. Recently, we have set out to develop a world class portfolio of our own proprietary brands that we believe will, over time, deliver higher margins and create long-term value. We believe our market leadership, wide distribution network, broad product selection and extensive technical expertise provide us with significant competitive advantages and create a compelling value proposition for our customers and our suppliers.

We market and sell our products in both the B2B and B2C areas of the marketplace. We have a diverse base of B2B customers, and our top ten customers accounted for only 13.0% of our net sales for the year ended December 31, 2018, with no single customer accounting for more than 2.4% of our net sales for the year ended December 31, 2018. While we are preparing to distribute our products to a growing number of large national and regional retailers in Canada, our typical B2B customer is an independent retailer operating in a single market. Our sales teams interact regularly with customers as most of them have frequent restocking needs. We believe our high-touch customer service model strengthens relationships, builds loyalty and drives repeat business. In addition, our premium product lines, broad product portfolio and strategically-located distribution centers position us well to meet the needs of our B2B customers and ensure timely delivery of products.

We also have a large base of B2C customers who we reach via our *VaporNation* and *VapeWorld* websites. While these customers are predominantly in North America, we also ship to Europe, Australia and other select locations. These websites are the most visited within our segment according to Alexa Traffic Rankings, and as of December 31, 2018, we ranked in the top five in 44 Google key search terms and in the top ten in 175 Google key search terms. During the year ended December 31, 2018, our websites attracted an average of over 292,000 unique monthly visitors and generated an average of more than 4,900 monthly transactions. Across all B2C platforms, we shipped more than 315,000 parcels during the year ended December 31, 2018.

For the year ended December 31, 2018, our B2B revenues represented approximately 79.5% of our net sales, our B2C revenues represented approximately 3.2% of our net sales, and 14.5% of our net sales were comprised of supply and packaging revenues and revenues derived from the sales and shipment of our products to the customers of third-party website operators and providing other services to our customers.

Key Factors Affecting Our Performance

Our historical financial performance has been, and we expect our financial performance in the future will be, primarily driven by the following factors:

Growth in the Market for Consumption Accessories and Vaporization Products. Our operating results and prospects will be impacted by developments in the market for premium consumption accessories and vaporization products. Our business has benefitted from recent developments and trends that have increased the use of vaporizers and other consumption accessories, including (i) technological innovation that has facilitated the ease of use of vaporizers and generally reduced their costs, (ii) the development of a wider variety of premium products, (iii) the desire of consumers to reduce nicotine consumption through smoking, (iv) changes in state and federal (Canada) laws that have legalized the use of cannabis in an increasing number of jurisdictions and (v) an increase in the number of celebrity endorsers of vaporizer and other consumption brands. These trends have contributed to significant growth in the demand for consumption accessories and vaporization products like ours in recent years; however, consumer demand for branded vaporization products and purchasing trends can and do shift rapidly and without warning. To the extent we are unable to offer products that appeal to consumers, our operating results will be adversely affected. This is particularly true given the concentration of our sales under certain brands.

Relationships with Suppliers. We generate substantially all of our net sales from products manufactured by others. We have strong relationships with many large, well-established suppliers, and seek to establish distribution relationships with smaller or more recently established manufacturers in our industry. While we purchase our products from over 140 suppliers, a significant percentage of our net sales is dependent on sales of products from a small number of key suppliers. For example, products manufactured by PAX Labs represented approximately 15.6% and 29.4% of our net sales for the years ended December 31, 2018 and 2017, respectively, and products manufactured by JUUL Labs represented approximately 36.5% and 11.4% of our net sales for the years ended December 31, 2018 and 2017, respectively. Additionally, Grenco Science represented approximately 8.9% and 21.1% of our net sales in the years ended December 31, 2018 and 2017, respectively, and products manufactured by Storz & Bickel represented approximately 6.4% and 6.5% of our net sales in the years ended December 31, 2018 and 2017, respectively.

We believe there is a trend of suppliers in our industry to consolidate their relationships to do more business with fewer distributors. We believe our ability to help maximize the value and extend the distribution of our suppliers' products has allowed us to benefit from this trend. Although we have a successful track record of renewing and extending the scope of our distribution agreements with suppliers, our distribution agreements typically have short terms (generally two or three years), are not automatically renewable, and, in some cases, give the supplier the right to terminate the distribution agreement at will. In addition, the efforts of our senior management team have been integral to our relationships with our suppliers. Our inability to enter into distribution agreements for the then-current most trendy or up-and-coming products, the termination or lack of renewal of one or more of our distribution agreements, or the renewal of a distribution agreement on less favorable terms, could adversely affect our business.

Retail Industry Dynamics; Relationships with B2B Customers. Historically, a substantial portion of our net sales have been derived from our B2B customers, upon which we rely to reach many of the consumers who are the ultimate purchasers of our products. We depend on retailers to provide adequate and attractive space for our products and point-of-purchase displays in their stores. For the year ended December 31, 2018, we sold our products through over 6,600 U.S. and Canadian retailers, and our sales to our B2B customers represented 79.5% of our net sales in the year ended December 31, 2018. Our top ten B2B customers represented approximately 13.0% and 10.9% of our net sales in the years ended December 31, 2018 and 2017, respectively. In recent years, traditional retailers have been affected by a shift in consumer preferences towards other channels, particularly e-commerce. We believe that this shift may have benefitted our business as retailers dedicated additional shelf space to premium, higher-margin products to drive additional traffic to their stores and improve sales in previously less productive shelf space. However, our B2B customers make no long-term commitments to us regarding purchase volumes and can, therefore, freely reduce their purchases of our products. Significant reductions in purchases of our products by our B2B customers could adversely affect our business. In addition, our future growth depends upon our ability to successfully execute our business strategy.

Product Mix. The mix of products we sell in any given quarter or year will depend on various factors, including the timing and popularity of new releases by third-party suppliers and our ability to distribute products based on these releases. We have diversified our product offerings across numerous categories. Our results of operations may fluctuate significantly from quarter to quarter or year to year depending on the timing and popularity of new product releases. Sales of a certain products or groups of products tied to a particular supplier can dramatically increase our net sales in any given period. For example, our net sales for the period beginning on April 1, 2017 and ending on December 31, 2017 were positively impacted by growth of an emerging line of products by JUUL Labs, for which we had net sales of approximately $10.0 million during such period. During the year ended December 31, 2018, we had net sales of products by JUUL Labs of $65.3million. In addition, if the performance of one or more of these products fails to meet expectations or updated versions are delayed in their release, our operating results could be adversely affected.

Post-Offering Taxation and Expenses. After consummation of this offering, we will become subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Greenlane Holdings, LLC, and we will be taxed at the prevailing corporate tax rates. In addition to tax expenses, we also will incur expenses related to our operations, as well as payments under the Tax Receivable Agreement, which we expect to be significant. We intend to cause Greenlane Holdings, LLC to make payments and distributions in amounts sufficient to allow us to pay our tax obligations and operating expenses, including amounts to fund any ordinary course payments due under the Tax Receivable Agreement. See "Certain Relationships and Related Party Transactions — Greenlane Operating Agreement — Distributions."

Key Metrics

We monitor the following key metrics to help us measure and evaluate the effectiveness of our operations, develop financial forecasts, and make strategic decisions:

	Year Ended December 31,	
	2018	**2017**
Net sales	$ 178,934,937	$ 88,259,975
Period-over-period growth	102.7%	
Operating cash flow	$ (13,577,316)	$ 3,124,047
Adjusted EBITDA	$ 4,101,879	$ 3,506,982
Average B2B order size	$ 1,270	$ 808
Number of orders	137,408	92,179

Total Revenue and Growth. We are focused on driving continued revenue growth through increased sales of new and existing products to new and existing customers.

Operating Cash Flow. We monitor our operating cash flow as a measure of our overall business performance, which enables us to analyze our financial performance without the effects of certain non-cash items such as stock-based compensation expenses and depreciation and amortization. Our operating cash flow is significantly impacted by accounts payable disbursements, changes in our investment in inventory, the timing of commission and bonus payments and collections of accounts receivable.

Adjusted EBITDA. We monitor our Adjusted EBITDA, which is defined as net (loss) income before interest expense, income tax expense, depreciation and amortization expense, equity-based compensation expense, other income, net, and non-recurring expenses primarily related to our transition to being a public company. These non-recurring expenses, which are reported within general and administrative expenses in our consolidated statements of operations, represent fees and expenses primarily attributable to consulting fees and incremental audit and legal fees. Adjusted EBITDA is a non-GAAP performance measure that we believe assists investors and analysts as a supplemental measure to evaluate our overall operating performance and how well we are executing our business strategies. We believe that the inclusion of certain adjustments in presenting Adjusted EBITDA is appropriate to provide additional information to investors because Adjusted EBITDA excludes certain items that we believe are not indicative of our core operating performance and that are not excluded in the calculation of net income.

Average B2B Order Size. We receive purchase orders from our B2B and B2C customers, as well as fulfillment orders from third-party manufacturers and retailers for which we provide shipping and other logistics

services. We believe that our average B2B order size and the number of B2B customers that we service is an indicator of our market share at the store level and an indicator of the penetration and future growth of our business.

Number of Orders. In addition to monitoring order size, we monitor the number of sales orders we receive from all of our market channels, including our B2B customers and our B2C customers. We believe the number of orders we receive is a valuable indicator of the success of our marketing efforts and the health of our customer relationships and is a valuable measure of our ability to seek out and offer a functionally superior mix of products offered at competitive price points.

Components of Results of Operations

Net Sales

We sell a broad array of premium consumption accessories and vaporization products across a variety of categories, including premium vaporizers and parts, cleaning products, grinders and storage containers, pipes, rolling papers and customizable lines of premium specialty packaging, primarily to B2B customers, including retailers, distributors and licensed cannabis cultivators, processors and dispensaries. We also sell our products directly to B2C consumers through our e-commerce operations and, to a lesser extent, our recently-opened retail store.

Revenue from the sale of our products is recognized when all of the following criteria are met: persuasive evidence of an arrangement exists, there are no uncertainties regarding customer acceptance, the selling price is fixed or determinable, and collectability is reasonably assured. Sales terms typically do not allow for a right of return except in relation to a manufacturing defect. Shipping costs billed to our customers are included in net sales, while shipping and handling costs, which include inbound freight costs and the cost to ship products to our customers, are typically included in cost of sales.

Cost of Sales

Cost of sales consists primarily of product costs and the cost to ship our products, including both inbound freight and handling and outbound freight of products sold to customers. Our cost of sales excludes depreciation and amortization. Our shipping costs, both inbound and outbound, will fluctuate from period to period based on customer and product mix due to varying shipping terms and other factors.

Our products are produced by our suppliers who may use their own third-party manufacturers. Our product costs and gross margins will be impacted from period to period based on the product mix we sell in any given period. For example, our vaporizer products tend to have a higher product cost and lower gross margins than our grinder products.

We expect our cost of sales to increase on an absolute dollar basis in the near term as we continue to grow our revenue, but to remain relatively consistent as a percentage of total net sales.

Gross Margin

Gross margin, or gross profit as a percentage of net sales, has been and will continue to be affected and fluctuate based upon a variety of factors, including the average mark-up over cost of our products, the mix of products sold and purchasing efficiencies.

Operating Expenses

Operating expenses consist of salaries, benefits and payroll taxes, general and administrative expenses and depreciation and amortization expenses.

Salaries, Benefits and Payroll Taxes. Salaries, benefits and payroll taxes consist of wages for all department personnel, including salaries, bonuses, and other employment-related costs, as well as workers compensation insurance and our portion of medical insurance and 401(k) expenses.

General and Administrative Expense. General and administrative expense consists of legal, travel and entertainment, subcontracting, professional fees, insurance and other overhead. Also included are marketing activities and promotional events, training costs and rent.

We expect general and administrative expense to increase on an absolute dollar basis in the near term as we continue to increase investments to support our growth. In addition, following the completion of this offering, we also expect to incur additional general and administrative expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC and those of any national securities exchange on which our securities are traded, additional insurance expenses, investor relations activities and other administrative and professional services. As a result, we expect that our general and administrative expense will increase in absolute dollars but may fluctuate as a percentage of our revenue from period to period.

Depreciation and Amortization Expenses. We depreciate and amortize the cost of our property and equipment using the straight-line method over the estimated useful lives of the assets, which is three to seven years in the case of furniture, equipment and software and the lesser of the lease term or five years in the case of leasehold improvements.

Interest Income (Expense), Net

Interest income (expense), net consists of interest incurred on our outstanding line of credit and other debt obligations.

Income from equity method investments

Our investment in a company that is accounted for on the equity method of accounting consisted of a 33.3% non-controlling interest in NWT Holdings, LLC ("NWT"), a manufacturer of aromatic devices. The investment in NWT amounted to $0 and approximately $916,000 at December 31, 2018 and 2017, respectively. For the year ended December 31, 2018, we incurred a loss from the equity method investment of approximately $234,000. The income from the equity method investment in the year ended December 31, 2017 was approximately $22,000. On December 11, 2018, Greenlane Holdings, LLC spun off 100% of its interest in the subsidiary which held its investment in NWT through a distribution to its members.

Provision for (Benefit from) Income Taxes

Greenlane Holdings, LLC is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, taxable income or loss is passed through to and included in the taxable income of its members. Accordingly, the consolidated financial statements of Greenlane Holdings, LLC included herein do not include a provision for U.S. federal income taxes. Greenlane Holdings, LLC is liable for various other state and local taxes and is subject to income taxes in foreign jurisdictions. Therefore, the provision for income taxes includes only income taxes on income from our Canadian subsidiary and state income tax, if any, in the consolidated financial statements.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in conformity with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements and, therefore, we consider these to be our critical accounting policies. Accordingly, we evaluate our estimates and assumptions on an ongoing basis. We base our estimates on historical experience, outside advice from parties believed to be experts in such matters, and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions. Our significant accounting policies can be found in Note 2 to our audited consolidated financial statements included elsewhere in this prospectus.

Inventory

Inventory consists principally of finished goods that are valued at the lower of cost or net realizable value on a weighted average cost basis. ASU 2015-11, *Simplifying the Measurement of Inventory*, was adopted during the year ended December 31, 2017. We have established an allowance for slow-moving or obsolete inventory based upon assumptions about future demands and market conditions. Our inventory is pledged as collateral for our bank line of credit.

Accounts Receivable

Accounts receivable represent amounts due from customers for merchandise sales and are recorded when product has shipped. An account is considered past due when payment has not been rendered by its due date based upon the terms of the sale. Generally, accounts receivable are due 30 days after the billing date. We evaluate our accounts receivable and establish an allowance for doubtful accounts based on a history of collections as well as current credit conditions. Accounts are written off as uncollectible on a case-by-case basis. Our accounts receivable are pledged as collateral for our bank line of credit.

Income Taxes

Greenlane Holdings, LLC is a limited liability company and is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a result, we are not liable for U.S. federal or state and local income taxes in most jurisdictions in which we operate, and the income, expenses, gains and losses are reported on the returns of our members. Greenlane Holdings, LLC is subject to Canadian and U.S. state and local income tax in certain jurisdictions in which it is not treated as a partnership for income tax purposes, in which jurisdictions it pays an immaterial amount of taxes.

After the consummation of this offering, we will become subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Greenlane Holdings, LLC and will be taxed at the prevailing corporate tax rates on such income. In addition to tax expenses, we also will incur expenses related to our operations and will be required to make payments under the Tax Receivable Agreement, which could be significant. After the consummation of this offering, pursuant to the Greenlane Operating Agreement, Greenlane Holdings, LLC will generally make pro rata tax distributions to its members in an amount sufficient to fund all or part of their tax obligations with respect to the taxable income of Greenlane Holdings, LLC that is allocated to them and possibly in excess of such amount. See “Certain Relationships and Related Party Transactions — Greenlane Operating Agreement — Distributions.”

Results of Operations

The following table sets forth our selected statements of operations data:

	Year Ended December 31,	
	2018	**2017**
Net sales	$ 178,934,937	$ 88,259,975
Cost of sales	143,199,574	67,689,578
Gross profit	35,735,363	20,570,397
Operating expenses:		
Salaries, benefits and payroll taxes	19,174,531	8,254,449
General and administrative	17,549,279	8,808,966
Depreciation and amortization	1,491,897	791,209
Total operating expenses	38,215,707	17,854,624
(Loss) income from operations	(2,480,344)	2,715,773
Other income (expense), net:		
Interest expense	(3,192,433)	(269,710)
Other income, net	104,387	28,027
Other expense, net	(3,088,046)	(241,683)
(Loss) income before income taxes	(5,568,390)	2,474,090
Provision for income taxes	319,321	182,533
Net (loss) income	(5,887,711)	$ 2,291,557

The following table sets forth our selected consolidated statements of operations data expressed as a percentage of net sales:

	Year Ended December 31,	
	2018	2017
Net sales	100.0%	100.0%
Cost of sales	80.0%	76.7%
Operating expenses		
Salaries, benefits and payroll taxes	10.7%	9.4%
General and administrative	9.8%	10.0%
Depreciation and amortization	0.8%	0.9%
Total operating expenses	21.4%	20.2%
(Loss) income from operations	(1.4)%	3.1%
Other income (expense), net:		
Interest expense	(1.8)%	(0.3)%
Other income, net	0.1%	0.0%
(Loss) income before income taxes	(3.1)%	2.8%
Provision for income taxes	0.2%	0.2%
Net (loss) income	(3.3)%	2.6%

Comparison of Years ended December 31,2018 and 2017

Net Sales

	Years Ended December 31,		Change	
	2018	2017	$	%
Net Sales	$ 178,934,937	$ 88,259,975	$ 90,674,962	102.7%

Net sales increased $90,674,962, or 102.7%, in the year ended December31, 2018 compared to the year ended December 31, 2017 primarily due to the increased popularity and availability of products by JUUL, EYCE, PAX, Organicix, Storz & Bickel and Pollen Gear in 2018 from 2017, which collectively resulted in net sales of $119,191,774 in the year ended December 31, 2018 compared to $49,086,049 in the year ended December 31, 2017, an increase of $70,105,725, or 142.8%. Further, branded products of Puffco, Yocan, O.pen, Kandypens and Pulsar had aggregate sales of $11,274,199 in the year ended December 31, 2018 compared to $3,644,296 in the year ended December 31, 2017, an increase of $7,629,903, or 209.4%. In the year ended December 31, 2018, we began offering products for the vendor MONQ, which generated $2,777,811 of revenue. Sales of various other brands increased by $4,879,786 in 2018 as compared to 2017. Further, restocking fees and other charges increased by $4,233,757 in the year ended December 31, 2018 as compared to the year ended December 31, 2017.

Cost of Sales

	Years Ended December 31,		Change	
	2018	2017	$	%
Cost of sales	$ 143,199,574	$ 67,689,578	$ 75,509,996	111.6%
Percentage of net sales	80.0%	76.7%		
Gross profit percentage	20.0%	23.3%		

Cost of sales increased $75,509,996 in the year ended December31, 2018 compared to the year ended December 31, 2017, primarily due to an increase of $70,204,016, or 112.6%, in cost of merchandise expense from $62,349,186 in the year ended December 31, 2017 to $132,553,202 in the year ended December31, 2018.

Salaries, benefits and payroll taxes

	Years Ended December 31,		Change	
	2018	2017	$	%
Salaries, benefits and payroll taxes	$ 19,174,531	$ 8,254,449	$ 10,920,082	132.3%
Percentage of net sales	10.7%	9.4%		

Salaries, benefits and payroll taxes expenses increased $10,920,082 in the year ended December31, 2018 compared to the year ended December 31, 2017, primarily due to an increase in personnel expenses of $6,859,706 resulting from the addition of 117 employees as we continued to expand our domestic sales and marketing efforts. We had 139 employees as of December 31, 2017 and 256 employees as of December 31, 2018. Further, we recorded $4,060,375 of equity-based compensation expense related to the conversion of profits interests in Greenlane Holdings, LLC into membership units.

General and Administrative Expenses

	Years Ended December 31,		Change	
	2018	2017	$	%
General and administrative	$ 17,549,279	$ 8,808,966	$ 8,740,313	99.2%
Percentage of net sales	9.8%	10.0%		

General and administrative expenses increased $8,740,313 in the year ended December31, 2018 compared to the year ended December 31, 2017. The increase is primarily due to an increase of $1,491,842 in marketing expenses; an increase of $2,266,264 in accounting, consulting and legal fees primarily due to non-capitalizable costs incurred in connection with our transition to being a public company, inclusive of $1,029,951 of non-recurring items, and new transactions throughout 2018; an increase of $1,090,572 in rent and facilities expense due to new warehouse facilities and the acquisition of the headquarters building; an increase of $1,403,908 in bank merchant fees due to our increased sales volume; and an increase of $610,815 in subcontracted services, labor and temporary employee expenses.

Depreciation and Amortization Expenses

	Years Ended December 31,		Change	
	2018	2017	$	%
Depreciation and amortization expense	$ 1,491,897	$ 791,209	$ 700,688	88.6%
Percentage of net sales	0.8%	0.9%		

Depreciation and amortization expense increased $700,688 in the year ended December31, 2018 as compared to the year ended December 31, 2017 primarily due to fixed asset additions, including fixed assets acquired through the acquisition of Better Life Holdings, LLC, and our headquarters building in Boca Raton, FL, and capitalized leased equipment used at our distribution centers, which we capitalize and depreciate over the estimated useful lives of the assets.

Other Income, Net

	Years Ended December 31,		Change	
	2018	2017	$	%
Other expense, net	($3,088,046)	($241,683)	($2,846,363)	1,177.7%
Percentage of net sales	(1.7)%	(0.3)%		

Other (expense), net increased by $2,846,363 in the year ended December31, 2018 compared to the year ended December 31, 2017, primarily due to an increase of approximately $2,637,000 in interest expense related to debt placement costs incurred in connection with the Convertible Notes issued in December 2018.

Provision for Income Taxes

	Years Ended December 31,		Change	
	2018	2017	$	%
Provision for income taxes	$ 319,321	$ 182,533	$ 136,788	74.9%
Percentage of net sales	0.2%	0.2%		

Provision for income taxes increased $136,788, or 74.9%, in the year ended December31, 2018 compared to the year ended December 31, 2017, primarily due to the increased income we generated in Canada, and was based on an estimated annual effective Canadian income tax rate of 26.5%. As discussed above, after the consummation of this offering, we will become subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Greenlane Holdings, LLC and will be taxed at the prevailing corporate tax rates. As a result, we expect our provision for income taxes, both in amount and as a percentage of our net sales, to increase in future periods.

Non-GAAP Financial Measure — Adjusted EBITDA

Adjusted EBITDA is defined as net (loss) income before interest expense, income tax expense, depreciation and amortization expense, equity-based compensation expense, other income, net, and non-recurring expenses primarily related to our transition to being a public company. These non-recurring expenses, which are reported within general and administrative expenses in our consolidated statements of operations, represent fees and expenses primarily attributable to consulting fees and incremental audit and legal fees. We disclose adjusted EBITDA, which is a non-GAAP performance measure, because management believes this metric assists investors and analysts in assessing our overall operating performance and evaluating how well we are executing our business strategies. You should not consider adjusted EBITDA as an alternative to net income, as determined in accordance with U.S. GAAP, as an indicator of our operating performance.

Adjusted EBITDA has limitations as an analytical tool. Some of these limitations are:

- Adjusted EBITDA does not include interest expense, which has been a necessary element of our costs
- Adjusted EBITDA does not include depreciation expense of property, plant and equipment
- Adjusted EBITDA does not include amortization expense associated with our intangible assets
- Adjusted EBITDA does not include provision for income taxes or future requirements for income taxes to be paid
- Adjusted EBITDA does not include other income, net
- Adjusted EBITDA does not include equity-based compensation expense associated with the conversion of profits interests to redeemable Class B membership units
- Adjusted EBITDA does not include expenses incurred related to our transition to being a public company

Because adjusted EBITDA does not account for these items, its utility as a measure of our operating performance has material limitations. Accordingly, management does not view adjusted EBITDA in isolation or as a substitute for measures calculated in accordance with GAAP.

The reconciliation of our net income to adjusted EBITDA is as follows:

	Year Ended December 31,	
	2018	**2017**
Net (loss) income	$ (5,887,711)	$ 2,291,557
Other income, net	(104,387)	(28,027)
Transition to being a public company[1]	1,029,951	—
Interest expense	3,192,433	269,710
Provision for income taxes	319,321	182,533
Depreciation and amortization	1,491,897	791,209
Equity-based compensation expense	4,060,375	—
Adjusted EBITDA	$ 4,101,879	$ 3,506,982

(1) Includes fees and expenses primarily attributable to consulting fees and incremental audit and legal fees in connection with our transition to being a public company.

Liquidity and Capital Resources

As of December 31, 2018, we had $7.3 million of cash and cash equivalents and $26.7 million of working capital, which is calculated as current assets minus current liabilities, compared with $2.1 million of cash and cash equivalents and $3.8 million of working capital as of December 31, 2017. In December 2018 and January 2019, we sold $48.25 million aggregate principal amount of the Convertible Notes and received net cash proceeds of approximately $45.3 million, of which approximately $18.1 million was used to redeem membership interests of the Members. The Convertible Notes do not accrue interest and will automatically settle into shares of our Class A common stock in connection with the closing of this offering at a settlement price equal to 80% of the initial public offering price per share of our Class A common stock.

Working capital is impacted by the seasonal trends of our business and the timing of new product releases. See "— Seasonality."

Sources of Funds

Our primary requirements for liquidity and capital are working capital, debt service and general corporate needs. Historically, these cash requirements have been met through cash provided by operating activities and borrowings under our bank revolving line of credit. For a description of our line of credit, see "— Line of Credit and Term Loan."

Uses of Funds

Additional future liquidity needs may include public company costs, payments in respect of the redemption rights of Common Units held by the Members that may be exercised from time to time (should we elect to exchange such Common Units for a cash payment), payments under the Tax Receivable Agreement and state and federal taxes to the extent not sheltered by our tax assets, including those arising as a result of purchases, redemptions or exchanges of Common Units for Class A common stock. The Members may exercise their redemption right for as long as their Common Units remain outstanding. Although the actual timing and amount of any payments that may be made under the Tax Receivable Agreement will vary, we expect that the payments that we will be required to make to the Members will be significant. Any payments made by us to the Members under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us or to Greenlane Holdings, LLC and, to the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by us; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreement and therefore may accelerate payments due under the Tax Receivable Agreement. For a discussion of the Tax Receivable Agreement, see "Certain Relationships and Related Party Transactions — The Transactions — Tax Receivable Agreement" and "Unaudited Pro Forma Financial Information." For a discussion of the Members' redemption rights, see "Certain Relationships and Related Party Transactions — The Transactions — Greenlane Operating Agreement."

Notwithstanding our obligations under the Tax Receivable Agreement, we believe that our sources of liquidity and capital will be sufficient to finance our continued operations and growth strategy, our planned capital expenditures and the additional expenses we expect to incur as a public company for at least the next 12 months. However, we cannot assure you that our cash provided by operating activities, cash and cash equivalents or cash available under our bank line of credit will be sufficient to meet our future needs. If we are unable to generate sufficient cash flows from operations in the future, and if availability under our bank line of credit is not sufficient, we may have to obtain additional financing. If we obtain additional capital by issuing equity securities, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we can obtain refinancing or additional financing on favorable terms, or at all, to meet our future capital needs. See "Risk Factors — Risks Related to our Business and Industry."

Cash Flows

The following summary of cash flows for the periods indicated has been derived from the consolidated financial statements of Greenlane Holdings, LLC included elsewhere in this prospectus:

	Year Ended December 31,	
	2018	**2017**
Cash provided by (used in) operating activities	$(13,577,316)	$ 3,124,047
Cash provided by (used in) investing activities	(10,216,436)	(886,574)
Cash provided by (used in) financing activities	29,132,121	(1,886,381)
Effect of exchange rates on cash	(77,281)	38,109
Net (decrease) increase in cash	5,261,088	389,201

Cash Flows from Operating Activities

In the years ended December 31, 2018 and 2017, we used cash of $13.6 million and provided cash of $3.1 million, respectively, for operating activities. Net cash used for operating activities increased $16.7 million to $13.6 million cash used for the year ended December 31, 2018 from $3.1 million cash provided for the year ended December 31, 2017. The increase in net cash used for operating activities resulted from a decrease in net income of $8.2 million. The components of operating assets and liabilities decreased by $14.2 million driven primarily by a decrease in accounts payable of $8.2 million and an increase in accrued expenses of $4.0 million, which were offset by decreases in inventory of $3.3 million, accounts receivable of $2.3 million and vendor deposits of $4.3 million.

Cash Flows from Investing Activities

In the years ended December 31, 2018 and 2017, we used $10.2 million and $0.9 million, respectively, of cash for investing activities. For the year ended December 31, 2018, we purchased a building and other fixed assets for $10.9 million, invested $0.1 million in two joint ventures, and acquired cash of approximately $0.8 million from the acquisition of Better Life Holdings, LLC. For the year ended December 31, 2017, we used $0.7 million to purchase an intangible asset relating to a master distribution agreement and used cash for capital expenditures, including computer hardware and software to support our growth and development, and to purchase warehouse supplies and equipment.

Cash Flows from Financing Activities

In the years ended December 31, 2018 and 2017, we received $29.1 million and used $1.9 million, respectively, from financing activities. In the year ended December 31, 2018, cash provided by financing activities was primarily attributable to proceeds from the issuance of Convertible Notes, net of issuance costs, of $38.9 million and proceeds from notes payable of $8.5 million, which was offset in part by the redemption of limited liability company membership interests of $15.1 million, member distributions of $1.6 million, net payments on the line of credit to a related party of $0.6 million and payments on long-term debt of $0.6 million. In the year ended December 31, 2017, cash used by financing activities was primarily attributable to payments on long-term debt of $2.1 million and member distributions of $0.3 million, which were offset by net borrowings on the line of credit to a related party of $0.6 million.

Line of Credit and Term Loan

On October 4, 2017, Jacoby & Co. Inc. the managing member of Greenlane Holdings, LLC, entered into a credit agreement with Fifth Third Bank. The credit agreement originally provided for a revolving credit facility of up to $8.0 million. Jacoby & Co. Inc.'s obligations as the borrower under the credit facility were guaranteed by Aaron LoCascio and Adam Schoenfeld as the stockholders of Jacoby & Co. Inc. at such time, and by all of our operating subsidiaries and were secured by a first priority security interest in substantially all of the assets of Greenlane Holdings, LLC and its operating subsidiaries. The revolving credit facility originally matured on October 3, 2018.

On August 23, 2018, the parties to the original credit agreement entered into an amendment to such agreement pursuant to which Greenlane Holdings, LLC became the borrower, and Jacoby & Co. Inc. became a guarantor, of the amounts borrowed thereunder. The amount of the revolving credit facility was increased from $8.0 million to $15.0 million and the termination date of the revolving credit facility was extended to August 23, 2020. The obligations of Greenlane Holdings, LLC as borrower continued to be guaranteed by Messrs. LoCascio and

Schoenfeld and the operating subsidiaries of Greenlane Holdings, LLC, and Jacoby & Co. Inc. became an additional guarantor. The obligations of Greenlane Holdings, LLC and the guarantors continue to be secured by substantially all of our assets.

On October 1, 2018, the parties to the amended credit agreement and 1095 Broken Sound Pkwy LLC, a newly-formed, wholly-owned subsidiary of Greenlane Holdings, LLC that we organized to purchase our new corporate headquarters facility in Boca Raton, Florida ("BSP"), entered into an amendment to the amended credit facility to provide for a $8,500,000 term loan on such date from Fifth Third Bank to BSP that was used by BSP to close on the purchase of our new headquarters facility. The term loan amortizes over a period of seven years and matures on October 1, 2025 with a final balloon payment of approximately $7,180,900. The obligations of BSP as borrower under the term loan are secured by a mortgage on our new corporate headquarters facility and a lien on substantially all of our assets, and are guaranteed by Messrs. LoCascio and Schoenfeld, Jacoby & Co. Inc., Greenlane Holdings, LLC and the operating subsidiaries of Greenlane Holdings, LLC.

The revolving credit facility under the amended credit agreement bears interest at a rate per annum equal to LIBOR plus 3.5% and the term loan bears interest at a rate per annum equal to LIBOR plus 2.39%, in each case provided that no event of default has occurred. During the continuance of an event of default, the interest rate on each loan shall, at the option of Fifth Third Bank, increase by an additional 5% per annum, and Fifth Third Bank will be able to terminate the loans and declare all outstanding obligations of the borrowers under the amended credit agreement to be due and payable. The amended credit agreement contains customary events of default.

The amended credit agreement contains generally customary affirmative and negative covenants, including, but not limited to, restrictions on the ability of Greenlane Holdings, LLC and each of its operating subsidiaries to incur additional indebtedness, create liens, make guarantees, sell or transfer any notes or other obligations, change or alter the nature of its business in any material respects, make changes to accounting policies and procedures or tax status, enter into certain transactions with affiliates, fail to comply with certain requirements and obligations relating to employee benefit plans, enter into or undertake certain liquidations, mergers, consolidations or acquisitions, permit the borrower group's fixed charge coverage ratio to be less than 1.25 and transfer and/or dispose of assets. As of December 31, 2018, we were in compliance with all covenants under the amended credit agreement.

As of December 31, 2018, we had no borrowings outstanding under the revolving credit facility included in the amended credit agreement. Repayments are made daily on the revolving credit facility through our sweep arrangement with Fifth Third Bank.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, nor do we currently have, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities.

JOBS Act

We are an "emerging growth company," as defined in the JOBS Act. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. This means that an "emerging growth company" can make an election to delay the adoption of certain accounting standards until those standards would apply to private companies. We have elected not to use the extended transition period for complying with any new or revised financial accounting standards. Therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Seasonality

While our B2B customers typically operate in highly-seasonal businesses, we have historically experienced only moderate seasonality in our business. For the years ended December 31, 2018 and 2017, approximately 28.8% and 34.7%, respectively, of our net sales were made in the fourth quarter, as our customers build up their inventories in anticipation of the holiday season. However, the rapid growth we have experienced in recent years may have masked the full effects of seasonal factors on our business to date and, as a result, seasonality may have a greater effect on our results of operations in future periods.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk. We currently have no material exposure to interest rate risk. In the future, we intend to invest our excess cash primarily in money market funds, debt instruments of the U.S. government and its agencies and in high quality corporate bonds and commercial paper. Due to the short-term nature of these investments, we do not believe that there will be material exposure to interest rate risk arising from our investments.

Foreign Currency Risk. Prior to August 23, 2013, all of our product sales, inventory purchases and operating expenses were denominated in U.S. dollars. We therefore did not have any foreign currency risk associated with these activities. In August 2013, we created a wholly-owned subsidiary in Canada, Vape World Distribution LTD ("VWDL"). The functional currency of all of our entities is the U.S. dollar, other than VWDL, the functional currency of which is the Canadian dollar. While currently a material portion of our inventory purchases for VWDL are in U.S. dollars, its product sales will primarily be in Canadian dollars. Additionally, VWDL incurs its operating expenses in Canadian dollars. Therefore, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, principally the Canadian dollar. However, we believe that the exposure to foreign currency fluctuation from product sales and operating expenses is immaterial at this time as the related product sales and costs do not constitute a significant portion of our total net sales and expenses. As we grow and expand the geographic reach of our operations, our exposure to foreign currency risk could become more significant. To date, we have not entered into any foreign currency exchange contracts and currently do not expect to enter into foreign currency exchange contracts for trading or speculative purposes.

Impact of Inflation. Our results of operations and financial condition are presented based on historical costs. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we believe the effects of inflation, if any, on our historical results of operations and financial condition have been immaterial. We cannot assure you, however, that our results of operations and financial condition will not be materially impacted by inflation in the future.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which, among other things, requires lessees to recognize most leases on their balance sheets related to the rights and obligations created by those leases. ASU 2016-02 also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The new standard became effective for us on January 1, 2019. The amendments in this update should be applied under a modified retrospective approach. In July 2018, the FASB issued additional guidance on the accounting for leases. The guidance provides companies with another transition method that allows entities to recognize a cumulative-effect adjustment to the opening balance of retained earnings as of the date of adoption. Under this method, previously presented years' financial positions and results would not be adjusted. We are in the process of evaluating the choice of transition options and the impact that adopting this standard may have on our consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which significantly changes how entities will account for credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Among other things, ASU 2016-13 requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. We are in the process of evaluating the effect that ASU 2016-13 will have on our consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 320): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). ASU 2016-15 addresses the diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows, including debt prepayment or debt extinguishment costs, contingent consideration payments made soon after a business combination, proceeds from the settlements of insurance claims, and proceeds from the settlements of bank-owned life insurance policies. This amendment was effective for public business entities for reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption was permitted. Adoption of ASU 2016-15 on January 1, 2018 had no material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* (ASU 2017-01"), which amended existing guidance to clarify the definition of a business

with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions of assets or businesses. The amendments provide a screen to determine when a set of assets and activities (collectively referred to as a "set") is not a business. The screen requires that when substantially all of the fair value of the group assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. If the screen is not met, the amendments (1) require that to be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output and (2) remove the evaluation of whether a market participant could replace missing elements. ASU 2017-01 was effective for public business entities for annual periods beginning after December 15, 2017, including interim periods within those periods. Our adoption of ASU 2017-01 on January 1, 2018 had no material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles — Goodwill and Other: Simplifying the Test for Goodwill Impairment* (*Topic 350*), which removes step two of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. For public companies, this ASU is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019, but early adoption is permitted for impairment tests after January 1, 2017. We have adopted this standard as of January 1, 2017. There was no impact on our 2017 consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation — Stock Compensation: Improvements to Nonemployee Share Based Payment Accounting.* ASU 2018-07 provides guidance on accounting for share-based awards issued to nonemployees. The standard became effective for annual and interim periods beginning after December 15, 2018, and early adoption was permitted. We are currently evaluating the guidance to determine the potential impact on our consolidated financial statements.

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* The new revenue standard outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The new revenue standard contains principles to determine the measurement of revenue and timing of when it is recognized. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Under the new model, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the new standard requires that reporting companies disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

We adopted the provisions of this guidance on January 1, 2017 using the modified retrospective approach with a cumulative-effect adjustment to beginning members' equity at January 1, 2017. The comparative information has not been restated and continues to be reported under the accounting standards in effect for the period presented.

Profits Interests

In January 2017, Greenlane Holdings, LLC entered into a profits interest award agreement with one of its executives, which represented a 2% non-voting interest in Greenlane Holdings, LLC when fully vested. Similarly, in June and December 2016, Greenlane Holdings, LLC entered into profits interest award agreements with two of its executives, which, in the aggregate, represented a 3% non-voting interest in Greenlane Holdings, LLC when fully vested. All three of the profits interests agreements originally vested over a four-year period. Any unvested portion of the profits interest were to vest upon the consummation of a capital event that is also a change in control (as defined) of Greenlane Holdings, LLC. The agreements specified that the award entitled the grantee to only participate in certain net profit and net proceeds in excess of a threshold amount (as defined) from a capital event that is also a change in control of Greenlane Holdings, LLC, allocated and distributed to the profits interest from and after the grant date, and did not entitle the grantee to any other profits of Greenlane Holdings, LLC. We determined that these awards represented equity instruments and they were accounted for under ASC 718, *Stock Compensation*. The grant date fair value of these awards was de minimis. As described below, on December 17, 2018, these profits interests were converted to membership interests of Greenlane Holdings, LLC, subject to certain vesting restrictions.

On December 20, 2018, Greenlane Holdings, LLC entered into profits interest award agreements with certain employees who were previously awarded phantom equity units, which are described further below. Upon execution, the profits interest award agreements effectively cancelled 850,000 phantom equity units. The first 20% of the new profits interest vested on January 1, 2019, and the remainder will vest over a four-year period on each anniversary of that date. The new profits interest units had substantially the same terms as the profits interests granted in 2017 and 2016. The fair value of the these profits interests was de minimis on the modification date.

No compensation expense was recognized during the years ended December31, 2018 and 2017 relating to profits interest units.

On January 14, 2019, Greenlane Holdings, LLC entered into profits interest award agreements with certain employees who were previously awarded phantom stock awards, as described below. Upon execution, the profits interest award agreements effectively cancelled all remaining outstanding phantom stock awards.

In February 2019, Greenlane Holdings, LLC entered into profits interest awards agreements with certain employees. As of the grant date, these profits interests were completely unvested. These profits interests include graded vesting terms over a period of approximately five years.

Redeemable Class B Units

On December 17, 2018, we converted the profits interests outstanding for the three executives as of that date to redeemable Class B units of Greenlane Holdings, LLC. The conversion was accounted for as a modification under ASC Topic 718, *Stock Compensation.* One-half of each holder's award was deemed vested on the modification date and the other half contained a service condition spanning from two to three years. For the vested portion of the awards, we accounted for the modification, and measured the incremental fair value of the modified award, on the modification date. For the equity-classified unvested portion of the awards, we measured the compensation cost on the modification date; the estimated fair value will be recognized over the requisite service period required by each award agreement. For the liability-classified portion of the awards, we will remeasure the fair value of the awards each reporting period until the awards are settled, and true up compensation cost each reporting period for changes in fair value pro-rated for the portion of the requisite service period rendered.

During the year ended December31, 2018, we recorded compensation expense of approximately $4.1 million resulting from the conversion of profits interests to redeemable Class B units in December 2018. As of December 31, 2018, we recorded an equity-based compensation liability of approximately $21,000. As of December 31, 2018, we have approximately $2.0 million of unrecognized compensation costs related to the redeemable Class B units granted as equity-based compensation.

All outstanding redeemable Class B units will be converted to Common Units in connection with the consummation of the of the Transactions.

Phantom Equity Units

As part of an incentive package awarded during 2017 and 2018 to certain key employees we offered these individuals the opportunity to participate in the phantom equity program of Warehouse Goods LLC. Under these agreements, each participant was guaranteed a "phantom equity payment" in respect to an agreed upon number of bonus units. The number of units varied for each recipient, as specified in his or her individual agreement. Under the phantom equity program, there were 3,000,000 units authorized (representing 3% of Warehouse Goods LLC), with 150,000 units granted under this plan as of December 31, 2018. The bonus units contained a stated service condition, and the units could not be settled unless a change in control event occurred under specified terms. We determined that the bonus units represented share-based compensation awards which were accounted for under ASC 718, *Stock Compensation*. Recognition of compensation cost was appropriately deferred until the consummation of a Sale Event (as defined in the agreements), and as such, no associated compensation expense was recognized during the year ended December 31, 2018. On January 14, 2019, the remaining 150,000 of the bonus units were exchanged for profits interests in Greenlane Holdings, LLC that, in the aggregate, represented a 0.135% non-voting interest in Greenlane Holdings, LLC when fully vested. Upon exchange of these units, the phantom equity plan was terminated.

Overview

We are a leading distributor of premium vaporization products and consumption accessories in the United States and have a growing presence in Canada. Our customers include over 6,600 independent smoke shops and regional retail chain stores, which we estimate collectively operate approximately 9,700 retail locations, and hundreds of licensed cannabis cultivators, processors and dispensaries. We also own and operate two of the most visited North American direct-to-consumer e-commerce websites in the vaporization products and consumption accessories industry, *VaporNation.com* and *VapeWorld.com*, which offer convenient, flexible shopping solutions directly to consumers. We are developing a unique e-commerce platform, *Vapor.com*, into which our existing e-commerce websites will be consolidated. Through our expansive North American distribution network and e-commerce presence, we offer a comprehensive selection of more than 5,000 stock keeping units ("SKUs"), including premium vaporizers and parts, cleaning products, grinders and storage containers, pipes, rolling papers and customized lines of premium specialty packaging. Following the passage of the Farm Bill, in February 2019, we commenced distribution of premium products containing hemp-derived CBD.

We have cultivated a reputation for carrying the highest-quality products from large established manufacturers that offer leading brands, such as the Volcano vaporizers by Storz & Bickel, a leading, premium imported vaporizer brand; PAX 3 vaporizers by PAX Labs, a leading premium hand-held vaporizer brand; JUUL vaporizers by JUUL Labs, a nicotine vaporizer brand that had a market share of over 70% of the e-cigarette industry as of February 2019, according to Nielsen's tracked channels; and vaporizers by Firefly, a premium hand-held vaporizer brand. We also carry the innovative, up-and-coming products of dozens of promising start-up manufacturers, to which we extend the ability to grow and scale quickly. We provide value-added sales services to complement our product offerings and help our customers operate and grow their businesses. Recently, we have set out to develop a world class portfolio of our own proprietary brands that we believe will, over time, deliver higher margins and create long-term value. We believe our market leadership, wide distribution network, broad product selection and extensive technical expertise provide us with significant competitive advantages and create a compelling value proposition for our customers and our suppliers.

Our Customers. We market and sell our products in both the business to business ("B2B") and business to consumer ("B2C") sectors of the marketplace. We believe our B2B customers choose us for a number of reasons, including the breadth and availability of the products we offer, our extensive expertise, the quality of our customer service, the convenience of our distribution centers and the consistency of our order fulfillment. Our ability to provide a "one-stop shop" experience allows us to be the preferred vendor to many of these customers by streamlining the supply chain. In addition, we believe our customers find great value in the advice and recommendations provided by our knowledgeable sales and service associates, which further increases demand for our products.

We have a diverse base of more than 6,600 B2B customers. Our top ten customers accounted for 13.0% and 10.9% of our net sales for the years ended December 31, 2018 and 2017, respectively, with no single customer accounting for more than 2.4% and 2.0% of our net sales for the years ended December 31, 2018 and 2017, respectively. While we distribute our products to a growing number of large national and regional retailers in Canada, our typical B2B customer is an independent retailer operating in a single market. Our sales teams interact regularly with our B2B customers as most of them have frequent restocking needs. We believe our high-touch customer service model strengthens relationships, builds loyalty and drives repeat business. In addition, we believe our premium product lines, broad product portfolio and strategically-located distribution centers position us well to meet our customers' needs and ensure timely delivery of products.

We also have a large base of B2C customers who we reach via our *VaporNation.com* and *VapeWorld.com* websites. While these customers are predominantly in North America, we also ship to Europe, Australia and other select regions. Our websites are among the most visited within our segment according to Alexa Traffic Rankings, and as of December 31, 2018, we ranked in the top five in 44 Google key search terms and in the top ten in 175 Google key search terms. For the year ended December 31, 2018, our websites attracted an average of over 292,000 unique

monthly visitors and generated an average of more than 4,900monthly transactions. We shipped more than 315,000 parcels to our B2C customers during the year ended December 31, 2018 and more than 180,000 parcels during the year ended December 31, 2017. In addition to our e-commerce platform, in December 2017 we opened our first retail location in the high-traffic shopping center, Chelsea Market, in New York City under our proprietary Higher Standards brand. In March 2019, we expect to open our second Higher Standards retail location in Atlanta's popular Ponce City Market.

For the years ended December 31, 2018 and 2017, our B2B revenue represented approximately 79.5% and 75.5%, respectively, of our net sales, B2C revenues represented approximately 3.2% and 2.7%, respectively of our net sales, and 14.5% and 13.7%, respectively, of our net sales were comprised of supply and packaging revenues and revenues derived from the sales and shipment of our products to the customers of third-party website operators and providing other services to our customers.

Our Suppliers. Our strong supplier relationships allow us to distribute a broad selection of in-demand premium products at attractive prices. We are the lead distributor for many of our suppliers due to our scale, nationwide footprint, leading market positions, knowledgeable professionals, high service level and strong customer relationships. We offer suppliers feedback and support through all stages of the product sale cycle, including customer service and warranty support. We are often the largest or most visible exhibitor at industry trade shows where we work closely together with our premium suppliers in presenting, demonstrating and exposing their products. We believe these value-added services foster an ongoing and lasting relationship with our suppliers, and they serve as a key element of our business strategy.

We believe many of our suppliers choose us because of our track record for successfully launching and growing brands in our trade channels. For example, since our inception in 2005, we have been working with Storz & Bickel, a manufacturer of specialty vaporization products based in Germany, to launch dozens of its products in the U.S. market and have helped Storz & Bickel grow its U.S. presence to become one of the leading vaporizer brands in our industry. In addition, in 2016, we began working with LEVO, a start-up manufacturer, to assist it in launching a newly-developed premium kitchen appliance that was designed exclusively for infusing botanicals into oil and butter. By assuming responsibility for LEVO's distribution, wholesaling, trade marketing, warranty support, customer service and web fulfillment, we have helped LEVO scale its operations, introduce new products and become a leader in its market segment.

We source our products from more than 140 suppliers, including leading vaporizer equipment manufacturers, a wide range of smaller companies that are applying breakthrough innovations for up-and-coming products and a variety of suppliers who specialize in low, or no-technology industry staple products, such as rolling paper and cleaning supplies. We have exclusive or lead distribution relationships with some of our largest suppliers, including PAX Labs, Storz & Bickel, Grenco Science, DaVinci, Banana Bros, Eyce and others. We are also one of the largest distributors of products made by JUUL Labs. Additionally, we develop and sell innovative products under our proprietary brands, such as Higher Standards, Pollen Gear, Pop Box and SnapTech. Our portfolio of highly-regarded brands helps us to attract and retain our B2B and B2C customers, which allows us to generate incremental sales opportunities.

Our Distribution Facilities. For the year ended December 31, 2018, we shipped more than 438,000 parcels comprising more than 17.1 million product units, and in the year ended December 31, 2017, we shipped more than 250,000 parcels comprising more than 4.0 million product units. To facilitate these volumes and in anticipation of future growth, we have established a network of six strategically-located distribution centers that provide full coverage of the United States and Canada and ensure timely and cost-effective transportation and delivery of our products. We estimate that, as of December 31, 2018, approximately 90% of our North American customers could be reached within two days via FedEx Ground or similar ground delivery services. Due to our mature and continuously-evolving operational efficiencies, we provide our customers with accurate transaction fulfillment, logistics and customer support services.

Our Growth. In February 2018, we completed the acquisition of Better Life Holdings, LLC, a leading west coast distributor of like products that does business under the trade name VaporNation, to expand and

grow our business and market leadership. In January 2019, we completed the acquisition of Pollen Gear LLC, a California-based designer of child-resistant packaging and storage solutions, to expand our portfolio of proprietary brands and improve margins. We intend to pursue additional acquisitions to complement our organic growth and to achieve our strategic objectives. Since October 1, 2016, we have grown our employee count from 100 employees to 256 employees as of December 31, 2018, of which 90 were focused on sales. Our organic and acquisition-driven growth strategies have led to significant increases in consolidated net sales, gross profit and adjusted EBITDA. For the year ended December 31, 2018, which included the results of Better Life Holdings, LLC only for the period commencing on February 20, 2018 and did not include the results of Pollen Gear LLC, we generated consolidated net sales of $178.9 million, gross profit of $35.7 million and adjusted EBITDA of $4.1 million, compared to net sales of $88.3 million, gross profit of $20.6 million and adjusted EBITDA of $3.5 million for the year ended December 31, 2017. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measure - Adjusted EBITDA" for a reconciliation of our adjusted EBITDA to net income.

Investment Highlights

Leading Platform for and Distributor of Premium Vaporization Products and Consumption Accessories in North America

We are a leading distributor of premium vaporization products and consumption accessories in the United States and have a growing presence in Canada. As of December 31, 2018, we carried more than 5,000 SKUs that were sourced from more than 140 brands and suppliers. For the years ended December 31, 2018 and 2017, we had consolidated net sales of $178.9 million and $88.3 million, respectively, and we believe we are positioned to grow substantially as the cannabis regulatory landscape evolves.

Strong and Loyal Customer Base with Robust Sales Infrastructure to Support Scale

Our B2B customers include over 6,600 independent smoke shops and regional retail chain stores, which we estimate collectively operate approximately 9,700 retail locations, and hundreds of licensed cannabis producers, processors and dispensaries. We intend to further expand into new or recently-entered trade channels, including mass retail and big-box retail. We believe our highly-specialized sales force and robust infrastructure are well-positioned to support this growth. We invest in our talent by providing every sales representative with an extensive and ongoing education, including programs that provide comprehensive product knowledge, as well as the tools needed to have a unique understanding of our customers' personalities and decision-making processes.

A Significant E-Commerce Platform Positioned to Become a Global Leader in Direct-to-Consumer

We own and operate two of the most visited North American direct-to-consumer e-commerce websites in our industry, *VaporNation.com* and *VapeWorld.com*. Our e-commerce properties increase our reach on a global scale and provide higher gross profit margins than our B2B operations. With a database consisting of more than 318,000 B2C customers, we are able to continually expand our audience and business. In addition to our own fulfillment, we also fulfill web orders for many of the top industry suppliers, as well as for other leading e-commerce websites. We are developing a unique e-commerce platform, *Vapor.com*, that we believe will further increase our leadership position in the direct-to-consumer channel.

Strategically-Located Distribution Footprint

We have established our distribution network across the United States and Canada, including five distribution centers that allow us to deliver to approximately 90% of our customers within two days via FedEx Ground or similar ground delivery services. For the year ended December 31, 2018, our expansive distribution network allowed us to ship over 438,000 parcels comprising over 17.1 million units. Our infrastructure is built to support our company as it grows and scales. We believe our distribution network would be difficult and expensive for new entrants in our industry to replicate.

Passionate and Committed Executive Team with Proven Track Record of Delivering Strong Results

Our executive team has nearly 100 years of cumulative experience across various industries, including distribution, marketing, sales, financial services, public accounting, logistics, information technology, consumer products and luxury retail. Through steady brand discipline and strategic business planning, our executive team has transformed a small, single-product distributor into a leading multi-product, omni-channel distributor with a diverse and strategic portfolio mix of premium brands and products. Our executive team's passion and dedication to our company permeates across our employees and organizational culture, which fosters innovation, teamwork, passion for our products and personalized customer service.

Our Business Relating to the Cannabis Industry

While we do not cultivate, distribute or dispense cannabis or any cannabis derivatives that are in violation of U.S. federal law, several of the products we distribute, such as vaporizers, pipes, rolling papers and storage solutions, can be used with cannabis or cannabis derivatives as well as nicotine and other substances.

We believe the global cannabis industry is experiencing a transformation from a state of prohibition toward a state of legalization. We expect the number of states, countries and other jurisdictions implementing legalization legislation to continue to increase, which will create numerous and sizable opportunities for market participants, including us. Further, we believe that the trend of users seeking to consume nicotine will continue to evolve from traditional cigarettes to e-cigarettes, vaporizers and heat-not-burn platforms a trend which we are well-positioned to capitalize on.

Global Landscape

The United Nations estimates that the global cannabis market, including the illicit market, is $150 billion annually.

A January 2019 report of Arcview Market Research and BDS Analytics, leading market research firms in the cannabis industry, estimates that spending in the global legal cannabis market was approximately $12.2 billion in 2018 and is estimated to reach $16.9 billion in 2019, representing growth of 38%. The report projects that by 2022, spending in the global legal cannabis market will reach $31.3 billion, representing a compound annual growth rate of approximately 27% over the five-year period from 2017.

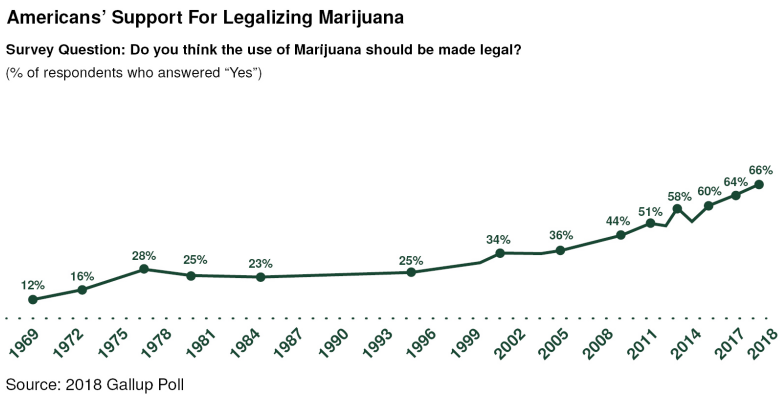
Wells Fargo Securities, LLC believes the global e-cigarette and vapor market generated approximately $6.6 billion of revenue in 2018, of which vaporizers, tanks and mods are believed to have comprised $2.8 billion.

Our experience and awareness of the markets in which we operate lead us to believe that demand for the types of products we distribute will grow in tandem with the industry.

The North American Cannabis Landscape

United States and Territories. Thirty-three states, the District of Columbia, Puerto Rico, Guam, and the Commonwealth of the Northern Mariana Islands have legalized medical cannabis in some form, although not all of those jurisdictions have fully implemented their legalization programs. Ten of these states, the District of Columbia and the Commonwealth of the Northern Mariana Islands have legalized cannabis for non-medical adult use and three additional states (Illinois, New Jersey and New York) are actively considering the legalization of cannabis for non-medical adult use. Thirteen additional states have legalized high-cannabidiol (CBD), low tetrahydrocannabinol (THC) oils for a limited class of patients. Only four states continue to prohibit cannabis entirely. Notwithstanding the continued trend toward further state legalization, cannabis continues to be categorized as a Schedule I controlled substance under the Federal Controlled Substances Act and, accordingly, the cultivation, processing, distribution, sale and possession of cannabis violate federal law in the United States as discussed further in "Risk Factors — Our business depends partly on continued purchases by businesses and individuals selling or using cannabis pursuant to state laws in the United States or Canadian and provincial laws."

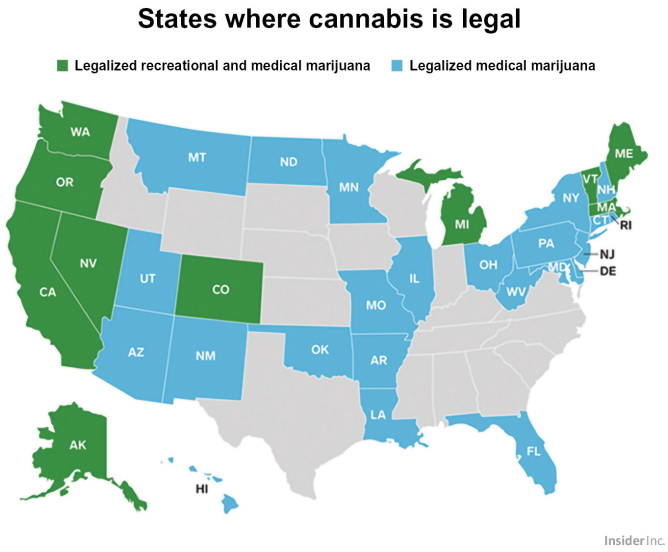
We believe support for cannabis legalization in the United States is gaining momentum. According to a 2018 poll by Gallup, public support for the legalization of cannabis in the United States has increased from approximately 12% in 1969 to approximately 66% in 2018.



Source: 2018 Gallup Poll

The U.S. cannabis industry has experienced significant growth over the past 12months fueled in part by increasing consumer acceptance and the legalization of medical and recreational cannabis across the United States.

The following map illustrates states that have fully legalized cannabis (for medical and recreational purposes); have partially legalized cannabis (for medical purposes only); and have not legalized cannabis for medical or recreational purposes are outlined below (as of January 4, 2019).



U.S. CBD Landscape

In December 2018, the Farm Bill was signed into law in the United States which specifically removed hemp from the definition of "marijuana" under the Controlled Substances Act. In addition, the 2018 Farm Bill has designated hemp as an agricultural commodity and permits the lawful cultivation of hemp in all states and territories of the United States. According to a report published by Brightfield Group, a market research firm, the U.S. hemp-derived CBD market is expected to reach $22 billion by 2022.

Canada. Legal access to dried cannabis for medical purposes was first allowed in Canada in 1999. *The Cannabis Act* (Canada) (the "Cannabis Act") currently governs the production, sale and distribution of medical cannabis and related oil extracts in Canada. Health Canada recently reported over 342,103 client registrations for medical cannabis prescriptions as of September 2018.

On April 13, 2017, the Government of Canada introduced Bill C-45, which proposed the enactment of the Cannabis Act to legalize and regulate access to cannabis. The Cannabis Act proposed a strict legal framework for controlling the production, distribution, sale and possession of medical and recreational adult-use cannabis in Canada. On June 21, 2018, the Government of Canada announced that Bill C-45, received Royal Assent. On July 11, 2018, the Government of Canada published the Cannabis Regulations under the Cannabis Act. The Cannabis Regulations provide more detail on the medical and recreational regulatory regimes for cannabis, including regarding licensing, security clearances and physical security requirements, product practices, outdoor growing, security, packaging and labelling, cannabis-containing drugs, document retention requirements, reporting and disclosure requirements, the new access to cannabis for medical purposes regime and industrial hemp. The majority of the Cannabis Act and the Cannabis Regulations came into force on October 17, 2018.

While the Cannabis Act provides for the regulation by the federal government of, among other things, the commercial cultivation and processing of cannabis for recreational purposes, it provides the provinces and territories of Canada with the authority to regulate in respect of the other aspects of recreational cannabis, such as distribution, sale, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

The governments of every Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. In most provinces and territories, the minimum age is 19 years old, except for Québec and Alberta, where the minimum age is 18. Certain provinces, such as Ontario have legislation in place that restricts the packaging of vapor products and the manner in which vapor products are displayed or promoted in stores.

In a 2018 publication by Deloitte, a leading professional services and consulting firm, the projected size of the Canadian adult-use market in 2019 ranged from C$1.8 billion to C$4.3 billion and in a 2018 research report, CIBC World Markets indicated that it expects the sector to grow to C$6.5 billion by 2020.

The outlook for the North American cannabis industry is largely positive. The industry is expected to continue benefiting from increasingly favorable attitudes toward both medical cannabis and recreational cannabis with expected significant consumer spending increases.

The International Cannabis Landscape

Europe. Europe's population is larger than that of the U.S. and Canadian markets combined, suggesting the potential of a very significant market. Prohibition Partners, a London-based strategic consultancy firm, estimated in 2018 that approximately 12% of the continent's adult population were "irregular" or "intensive" users of cannabis and a fully-regulated cannabis market would be worth more than $65 billion annually, with medical usage comprising $42 billion.

Currently, only Germany, Italy, Austria, Czech Republic, Finland, Portugal, Poland, Spain, the Netherlands, Denmark, Greece, Croatia, Macedonia, Poland and Turkey allow cannabis use for medicinal purposes, although it has been widely reported that other countries are considering following suit.

The progress of some key international markets is outlined below.

Germany. In January 2017, the German parliament legalized cannabis for medical consumption. In Germany, the cost of dried cannabis and cannabis extracts will be covered by health insurance for patients who have no other treatment options. Germany has created a "Cannabis Agency" to regulate the formation of a domestic cultivation and

production of the medical cannabis supply chain. According to Rheinische Post, in the first 10months of Germany's medical cannabis reform, over 13,000 applications for medical cannabis have been received by the largest three public health insurance companies in Germany.

United Kingdom. The U.K is a global leader in legal cannabis production according to the International Narcotics Control Board, and we believe the country has also positioned itself as being in the forefront of medical cannabis research and development. In late October 2018, the U.K. legalized cannabis based treatments prescribed only by specialist doctors in a limited number of circumstances, particularly children with rare, severe forms of epilepsy, adults with vomiting or nausea caused by chemotherapy, and adults with muscle stiffness caused by multiple sclerosis, where other medicines have failed.

Australia. In February 2016, Australia legalized medical cannabis at the federal level to allow for the manufacturing of medicinal cannabis products in Australia. In October 2016, the Australian regulatory authority released a detailed application process to license domestic cultivators and producers of medical cannabis. In the interim, until local licenses have been awarded and have reached production capacity, Australia is allowing medical cannabis to be imported from locally-authorized producers. In January 2018, the Australian government announced that it would permit the export of medicinal cannabis products to provide increasing opportunities for domestic producers.

Israel. As of January 2019, Israel had legalized medical cannabis and the export of medical cannabis products. According to the country's health minister, as of December 2017, there are 383 farmers that had applied for growing licenses in Israel, and 250 nurseries, 95 pharmacies and 60 processing facilities had applied for cannabis distribution and/or processing licenses. According to the European Journal of Internal Medicine as of March 2018, there was estimated to be 32,000 registered users of medical cannabis in Israel. Israel has decriminalized, but not legalized, cannabis for non-medicinal uses.

Uruguay. In December 2013, Uruguay became the first country to legalize cannabis for both medicinal and recreational purposes. According to a news report published by The Independent as of May 2018, there were over 24,324 government-registered cannabis users, a four-fold increase from approximately 5,000 users in July 2017.

Product Information

Consumers of cannabis, herbs, flavored compounds and nicotine are likely going to require the types of products we distribute, including vaporizers, pipes, rolling papers and packaging. We believe we distribute the "picks & shovels" for these rapidly-growing industries.

Inhalation Delivery Methods. There are two prevalent types of inhalation methods for cannabis and nicotine — combustion and vaporization. Recent advances in vaporization technology offer users a cleaner alternative to combustion with fewer health concerns.

Vaporizers are personal devices that heat materials to temperatures below the point of combustion, extracting the flavors, aromas and effects of dry herbs and concentrates in the form of vapor. Measured by revenue, vaporizers are our largest product category. During the years ended December 31, 2018 and 2017, the vaporizers and components category, which is comprised of desktops, portables and pens, generated 80.5% and 79.9%, respectively, of our net sales.

The Science and Popularity of Vaporization

Vaporizers have elements that are designed to quickly heat combustible material, which generates a vapor that is immediately inhaled through the mouthpiece on the device itself, or a hose, pipe or an inflatable bag. Vaporizers can heat a variety of dry materials, viscous liquids and waxes and provides a convenient way for users to consume the active ingredients. Common ingredients used in vaporizers include tobacco, nicotine extracts, legal herbs, cannabis and propylene glycol and glycerin blends.

Vaporization Technology

Consumers have a wide array of vaporization devices, at their disposal which can be broadly categorized into two primary segments — desktop and portable vaporizers. Our vaporizer offering spans over 115 distinct products across 64 brands.

Desktop Vaporizers. Vaporizers were first developed as desktop models that were powered through traditional electric power sources. Desktop vaporizers are capable of heating the material to a more precise temperature choice determined by the consumer or as advised by a health practitioner. Some models dispense the vapor through a pipe or wand, and others into an inflatable bag in order to allow users to more accurately monitor their consumption.

Portable Vaporizers. With the development of lithium batteries, vaporizers have now become portable. Technological advances are resulting in lighter, sleeker and more visually-appealing units that are capable of quickly heating the material to the user's desired temperature setting. The temperature setting can be fixed by the manufacturer, set manually by the consumer or via a Bluetooth connection to the consumer's smartphone. Portable vaporizers, of which pens are a sub-set, are differentiated by many features, including output, battery life, recharge time, material, capacity and design.

Other Methods of Consumption

In addition to vaporizers, consumers have a wide array of methods of consumption at their disposal, including, among others, hand pipes, water pipes, rolling papers, and oral and topical delivery methods.

Hand and Water Pipes. We offer a diverse portfolio of approximately 100 products and eight brands, including our own proprietary Higher Standards brand. Many display iconic, licensed logos and artwork as pipes have grown into an artistic expression and are available in countless creative forms and functionality.

Hand pipes are small, portable and simple to use and function by trapping the smoke produced from burning materials, which is then inhaled by the user. Water pipes include large table-top models and bubblers and are more complex because they incorporate the cooling effects of water to the burning materials, before inhalation.

Rolling Papers. Rolling papers are a traditional consumption method used to smoke dried plant material in a "roll-your-own application". Our rolling papers category is comprised of approximately 50 products across eight brands.

Edibles, Tinctures, Ingestible Oils and Topicals are additional methods of consumption. We do not sell or distribute any psychoactive products within these categories.

History and Development of Our Company

Over the last 14 years, we have evolved from a single-product distributor of desktop vaporizers into a market leader in the sale, marketing and distribution of premium vaporization products and consumption accessories. While our growth and advancement has continued, our corporate culture has remained steadfast. We are focused on a customer-centric platform that is strengthened by an emphasis on technological advancement, innovations and maintaining long-term relationships with our suppliers, vendors and employees. We believe the following events have influenced the general development of our business:

- 2005: Founded as a single-product U.S. distributor of German desktop vaporizers
- 2007: Established *VapeWorld.com* as a B2C e-commerce website and B2B wholesale distributor
- 2010: Leased our first self-managed warehouse in Boca Raton, FL
- 2011: Enhanced bi-coastal fulfillment capabilities by adding a distribution facility in Nevada; Messrs. LoCascio and Schoenfeld merge their independent businesses
- 2012: Entered into a distribution agreement with PAX Labs and introduced the Pax Vaporizer into our product portfolio and added a distribution facility in New Jersey
- 2013: Expanded our footprint into Canada with the addition of a British Columbia subsidiary and an Ontario distribution facility
- 2015: Commenced distribution of the JUUL line of products
- 2016: Rebranded our business as Greenlane

- 2017: Relocated our Boca Raton, FL distribution center to Jacksonville, FL to help facilitate additional shipping efficiencies
- 2017: Relocated our Las Vegas, NV distribution center to Visalia, CA to enhance our delivery capabilities
- 2018: Acquired Better Life Holdings, LLC, one of our major competitors
- 2019: Acquired Pollen Gear LLC, our principal supplier of child-resistant packaging and storage solutions

Our Competitive Strengths

We attribute our success to the following competitive strengths.

Clear Market Leader in an Attractive Industry. We are a leading North American distributor of premium vaporization products and consumption accessories, reaching over an estimated 9,700 retail locations and hundreds of licensed cannabis cultivators, processors and dispensaries. We also own and operate two of the industry's most visited North American direct-to-consumer e-commerce websites, *VaporNation.com* and *VapeWorld.com*.

Market Knowledge and Understanding. Because of our experience and our extensive and long-term industry relationships**,** we believe we have a deep understanding of customer needs and desires in both our B2B and B2C channels. This understanding allows us to influence customer demand and the pipeline between product manufacturers, suppliers, advertisers and the marketplace. Further, we have generated significant databases relating to our suppliers and customers, which allows us to anticipate market dynamics.

Broadest Product Offering. We believe we offer the industry's most comprehensive portfolio of vaporization products and consumption accessories with over 5,000 SKUs from more than 140 suppliers. This broad product offering creates a "one-stop" shop for our customers and positively distinguishes us from our competitors. We maintain a high level of product availability and timely delivery. In addition, we have carefully cultivated a portfolio of well-known brands and premium products, and have helped many of the brands we distribute to become established names in the industry. These products are staples for many of our B2B customers and many of those customers are dependent upon them for a significant portion of their revenue. Most of our B2B customers order products from us on a regular basis, which provides us an opportunity to efficiently add other items to each order. In addition, with lead distribution rights for many key brands, we believe we have established a sustainable market-leading role. Not only are we the key relationship for the purchasing requirements of many of our B2B customers, but we are also the preeminent go-to-market platform and partner for product suppliers wishing to gain access to these accounts.

Entrepreneurial Culture. We believe our entrepreneurial, results-driven culture fosters highly-dedicated employees who provide our customers with superior service that differentiates us from our competition. We invest in our talent by providing every sales representative with an extensive and ongoing education and have successfully developed programs that provide comprehensive product knowledge and the tools needed to have a unique understanding of our customers' personalities and decision-making processes. Further, we incentivize sales employees throughout our company to generate business and execute it profitably through a compensation program that includes variable and longer-term compensation arrangements. We also believe our entrepreneurial culture, combined with our dedication to developing, training and providing opportunities for all of our employees, helps us attract and retain top talent. Similarly, we believe these characteristics have also positioned us as an attractive acquirer of smaller distributors whose owners are looking to scale business, pursuing faster growth or seeking liquidity.

Unwavering Focus on Relationships and Superior Service. We aim to be the premier platform and partner of choice for our customers, suppliers and employees.

- *Customers*. We believe we offer superior services and solutions due to our comprehensive product offering, proprietary industry data and analytics, product expertise and the quality of our service. We deliver products to our customers in a precise, safe and timely manner with complementary support from our dedicated sales and service teams.
- *Suppliers*. Our industry knowledge, market reach and resources allow us to establish trusted professional relationships with many of our product suppliers. We offer them a variety of value-added

services, such as marketing support, supply chain management, customer feedback, market data and customer service to support the sale of their products. Further, we offer our suppliers product returns and warranty repair services. As a result, we have become a significant and, in some cases, exclusive vendor for a number of our suppliers, which enables us to secure long-term relationships, competitive pricing and access to new and innovative products.

- *Employees.* We provide our employees with an entrepreneurial culture, a safe work environment, financial incentives and career development opportunities.

Experienced and Proven Management Team Driving Organic and Acquisition Growth. We believe our management team is among the most experienced in the industry. In addition to our co-founder and Chief Executive Officer, Aaron LoCascio, and our co-founder and Chief Strategy Officer, Adam Schoenfeld, our senior management team brings experience in accounting, mergers and acquisitions, financial services, consumer packaged goods, retail operations, third-party logistics, information technology, product development and specialty retail and an understanding of the cultural nuances of the sectors that we serve. Members of our executive leadership team have a strong track record of improving performance and successfully driving both internal and acquisitive growth during their tenure with us and prior to joining our company. Our team not only has a clearly-defined operational strategy to promote growth and profitability for our company, but also has an ambitious vision to be a global leader in the industry. We believe the scale of our business, our leading market position and our corporate culture will allow us to continue to attract and develop industry-leading talent.

Our Strategies

We intend to leverage our competitive strengths to increase shareholder value through the following core strategies:

Build Upon Strong Customer and Supplier Relationships to Expand Organically. Our North American footprint and broad supplier relationships, combined with our regular interaction with our large and diverse customer base, provides us key insights and positions us to be a critical link in the supply chain for premium vaporization products and consumption accessories. Our suppliers benefit from access to more than 6,600 B2B customers and more than 318,000 B2C customers as we are a single point of contact for improved production, planning and efficiency. We believe we are unique in our ability to work with our suppliers to launch new products quickly and on a national scale. We intend to continue to increase our size and scale in customer, geographic and product reach, which we believe will continue to benefit our supplier base. Our customers, in turn, benefit from our market leadership, talented sales associates, broad product offering, high inventory availability, timely delivery and complementary value-added services. We will continue to work with new and existing suppliers to maintain a broad product offering for our customers at competitive prices and to enhance our role as a valued platform and partner in the supply chain. We believe our strong customer and supplier relationships will enable us to expand and broaden our market share in the premium vaporization products and consumption accessories marketplace and expand into new categories. For example, in February 2019, we commenced distribution of premium products containing hemp-derived CBD. Our initial offerings include gel caps, tinctures, and topicals from Mary's Nutritionals and pure hemp-derived CBD cartridges, tinctures, and gel caps from Select. Additionally, we have commenced development of our own proprietary brands of products containing CBD that will initially include tinctures, gel caps, topicals, and cartridges for vaporization.

Expand Our Operations Internationally. We currently focus our marketing and sales efforts on the United States and Canada, the two largest and most developed markets for our products. While we currently support and ship products to customers in Europe, Australia, and parts of South America on a limited basis, we are aware of the growth opportunities in these markets. As we continue to expand our marketing, supplier relationships, sales bandwidth and expertise, we anticipate capturing market share in those regions by opening our own distribution centers, acquiring existing international distributors and partnering with local operators.

Expand our E-Commerce Reach and Capabilities. We own and operate two of the leading direct-to-consumer e-commerce websites in our industry, *VaporNation.com* and *VapeWorld.com*. These sites are two of the most visited within our segment according to Alexa Traffic Rankings, a leading data analytics firm, and as of December 31, 2018, we ranked in the top five in 44 Google key search terms and in the top ten in 175 Google key search terms. With a

database consisting of more than 318,000 consumers, our e-commerce websites increase our reach on a global scale and enable us to continually expand our audience and business. We intend to continue to optimize our e-commerce platform to improve conversion rates, increase average order values, and grow our margins. In addition, we are developing a unique online website, *Vapor.com*, which is scheduled to launch within the next six months, that we expect will further increase our industry leadership position in e-commerce.

Pursue Value-Enhancing Strategic Acquisitions. Through our recently-completed acquisitions of VaporNation and Pollen Gear LLC, we have added new markets within the United States, new product lines, talented employees and operational best practices. In addition, we increased our sales by introducing products from our existing portfolio to customers of VaporNation. We believe these acquisitions are the first of many and that as a public company, we will be able to offer owners of smaller distributors and suppliers a combination of resources, expertise, liquidity and the opportunity to continue to operate their business in an entrepreneurial manner while relieving them of the risks and burdens associated with owning a small business. We intend to continue pursuing strategic acquisitions to grow our market share and enhance our leadership positions by taking advantage of our scale, operational experience and acquisition know-how to pursue and integrate attractive targets. We believe we have significant opportunities to add product categories through our knowledge of our industry and possible acquisition targets. In addition, we are focused on identifying and reviewing attractive new geographic markets for expansion through acquisitions. We will continue to apply a selective and disciplined acquisition strategy.

Enhance Our Operating Margins. We expect to enhance our operating margins as our business expands through a combination of additional product purchasing discounts, reduced inbound and outbound shipping and handling rates, reduced transaction processing fees, increased operating efficiencies and realizing the benefits of leveraging our existing assets and distribution facilities. Additionally, we expect that our operating margins will increase as our product mix continues to evolve to include a greater portion of our proprietary branded products. We are committed to supporting our proprietary brands, such as Higher Standards, Pollen Gear, Pop Box and SnapTech, which offer better price points and significantly higher gross margins than supplier-branded products. We recently opened our first two Higher Standards retail stores in New York City's famed Chelsea Market and Atlanta's popular Ponce City Market, and we plan to roll out two to four additional retail stores in North America by December 31, 2019. We also continuously monitor, adjust and improve the way we source and distribute products to our customers in an effort to achieve greater operating efficiencies and supply chain optimization. Because of recent substantial investments in our corporate infrastructure, and existing levels of fixed costs, we believe that, except for the additional expenses associated with being a public company, we will not have material increases in our general and administrative expenses as we pursue our growth plans.

Developing A World-Class Portfolio of Proprietary Brands. We intend to build a portfolio of our own proprietary brands, organically and through acquisitions, which over time should improve our blended margins and create long-term value. Our brand development will be based upon our proprietary industry intelligence that allows us to identify market opportunities for new brands and products. We plan to leverage our distribution infrastructure and customer relationships to penetrate the market quickly with our proprietary brands and to gain placement in thousands of stores. In addition, we plan to sell such products directly to consumers via the brand websites and our e-commerce properties. Our existing proprietary brands include our Higher Standards, Aerospaced, Groove and Pollen Gear brands. In May 2018, we entered into an exclusive license agreement with Keith Haring Studio to sell consumption accessory products that will incorporate certain artwork images created by the iconic artist Keith Haring, and in July 2018, we entered into a joint venture with an affiliate of Gilbert Milam, one of the most influential celebrities in the industry today, to create, develop and market a line of consumer products to be sold under the VIBES brand name, including rolling papers and, potentially, clothing, backpacks, cases and other smoking accessories. We are currently in the final stages of product development for some of these products. In addition, we have absorbed the Marley Natural accessory line as a house brand. In creating our proprietary brands, we intend to stay mindful of our key supplier relationships and to identify opportunities within our product portfolio and in the market where we can introduce compelling products that do not directly compete with the products of our core suppliers. We believe that, over time, our proprietary brands will have a significant positive impact on our results of operations.

Execute on Identified Operational Initiatives. We continue to evaluate operational initiatives to improve our profitability, enhance our supply chain efficiency, strengthen our pricing and category management capabilities, streamline and refine our marketing process and invest in more sophisticated information technology systems and data analytics. In addition, we continue to further automate our distribution facilities and improve our logistical capabilities. Although we are still in the early stages of some of these initiatives, they have already contributed to

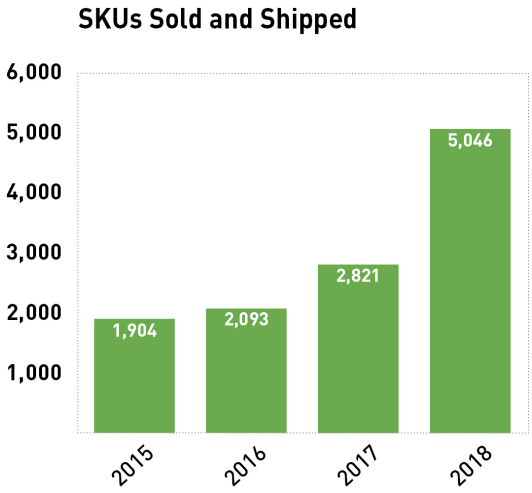
improvements in our profitability and customer service levels. We believe we will continue to benefit from these and other operational improvements.

Be the Employer of Choice. We believe our employees are the key drivers of our success, and we aim to recruit, train, promote and retain the most talented and success-driven personnel in the industry. Our size and scale enable us to offer structured training and career path opportunities for our employees, while in our sales and marketing teams, we have built a vibrant and entrepreneurial culture that rewards performance. We promote ongoing, open and honest communication with our employees to ensure mutual trust, engagement and performance improvement. We believe that high-performing managers coupled with creative, adaptable and engaged sales, marketing and logistical employees are critical to our success and to maintaining our competitive position. We are committed to being the employer of choice in our industry.

Our Brands and Products

We offer a mix of premium brands, products and services to our omni-channel customer distribution network. As of December 31, 2018, we carried more than 5,000 SKUs provided by more than 140 suppliers. Our product offering ranges from basic, non-technical items, such as rolling papers and cleaning supplies, to sophisticated, highly-technical vaporizers and extraction devices, as well as customizable items such as child-resistant packaging and branded storage devices. We believe our broad product offering creates a "one-stop" shop for our customers and positively distinguishes us from our competitors.

The following table illustrates the growth in the number of total SKUs sold and shipped in each of the years ended December 31, 2015, 2016, 2017 and 2018.



Product Categories and Select Brands. We believe we have the widest array of premium brands and products in our industry, and we are continually expanding our offerings to ensure that our customers' preferences are met. The following table provides summary information regarding the product categories we offer and the brands we represent.

	Vaporizers & Components	Tools & Appliances	Grinders & Storage	Parts & Accessories	Functional / Glass	Papers / Wraps	Custom Products / Packaging
Fiscal 2018 % Net Sales	**80.5%**	**1.7%**	**1.6%**	**8.8%**	**2.9%**	**0.3%**	**3.7%**
Product Types	• Desktop • Pen • Portable • E-cig	• Cleaning & Maintenance • Hemp Wick • Extraction Machine • Lighters and Torches	• Aluminum Grinder • Acrylic Grinder • Electric Grinder • Storage	• Screens • Batteries • Carrying Cases	• Water Pipes • Hand Pipes	• Cones • Paper • Tips	• Child-Resistant Packaging • OEM
Representative Brands	• Storz & Bickel • PAX Labs • Firefly • DaVinci • Arizer • Dr. Dabber • JUUL Labs • Grenco Science • Cloudious9 • MONQ • BLU • Yocan • Atmos • Airvape • Boundless • QuickDraw • Double Barrel • Flowermate • Herbalizer • Haze • KandyPens • Linx • Magic-Flight • O.pen • Puffco • Pulsar • Source • #THISTHINGRIPS • Von Erl • Vapium • CPR • Vivant	• Blazer • Higher Standards • HYER • LEVO • MagicalButter • Bic • I-Tal • Newport • Smokebuddy	• Santa Cruz Shredder • Aerospaced • Groove • EVAK • CVault • Banana Bros. • Herbivore • Tightpac	• Higher Standards • Hydra Vapor Tech	• Marley Natural • GRAV Labs • Higher Standards • MJ Arsenal • Puffingtons • EYCE • Famous Brandz • Genius Pipe	• RAW • Juicy Jay's • OCB • Shine • Elements	• Pollen Gear • Pop Box • SnapTech

- **Vaporizers and Components.** Our vaporizers are personal devices that heat materials at temperatures just below the point of combustion, extracting the flavors, aromas and effects of dry herbs and concentrates in the form of vapor. Measured by revenue, vaporizers and components are our largest product category. In 2018, the vaporizer and components category, which is comprised of desktops, portables and pens, generated 80.5% of our net sales. Our vaporizer and components offering spans over 115 distinct products across 64 brands. To our knowledge, no other distributor in North America carries as large a variety of premium vaporizers.

  A significant percentage of our revenue is dependent on sales of products, primarily vaporizers and related components, that we purchase from a small number of key suppliers, including PAX Labs and JUUL Labs. For example, products manufactured by PAX Labs represented approximately 15.6% and 29.4% of our net sales in the years ended December 31, 2018 and 2017, respectively, and products manufactured by JUUL Labs represented approximately 36.5% and 11.4% of our net sales in the years ended December 31, 2018 and 2017, respectively.

- **Tools and Appliances.** Our tools and appliances product categories include cleaning products, torches, rolling machines and rolling trays, as well as highly-technical, sophisticated products such as infusers and extraction devices. Our tools and appliances offerings span 22 distinct products across 12 brands, including our own proprietary brand, Higher Standards.

- **Grinders and Storage.** Our grinders are cylindrical devices that break dry herb down to fine granules, increasing the surface area of the plant material so that it can be thoroughly vaporized or burned. The storage containers that we offer can be used to store dry herb and concentrates in an air-sealed environment, maintaining freshness. Our grinders and storage solutions are comprised of approximately 22 distinct products across 11 brands, including our own proprietary Aerospaced and Groove brands.

- **Functional Glass.** We offer a diverse brand portfolio of water pipes in many shapes and sizes. Many products in this category display iconic, licensed logos and artwork. Our functional glass category is comprised of approximately 100 products and eight brands, including our own proprietary Higher Standards brand.

- **Papers and Wraps.** We sell high-quality papers for roll-your-own applications. Brands in this category include Elements Rice Papers, I-Tal, Juicy Jay's, OCB, Raw, and Shine. Our rolling papers category is comprised of approximately 50 products across eight brands.

- **Parts and Accessories.** Our parts and accessories categories consist of consumable screens that enable heating, bags and whips/wands used to capture vapor, hard and soft-shell device cases and portable vaporizer batteries. This category acts as a complement to the majority of our offerings. Our parts and accessories category is comprised of over 1,300 SKUs supplied by approximately 86 brands.

- **Customized Products and Packaging.** We offer a customizable line of our own premium packaging products, including patented items, under our Pollen Gear brand. Child-resistant packaging solutions are one of our fastest growing sectors and, as a result, we are expanding our product offering to include new silhouettes, sizes and vessels to address more of our customers' needs. We believe our initiatives in this category will further set us apart from our competition.

CBD Distribution & Product Lines. In February 2019, following the passage of the Farm Bill in December 2018, we commenced distribution of premium products containing hemp-derived CBD. Our initial offerings include gel caps, tinctures, and topicals from Mary's Nutritionals and pure hemp-derived CBD cartridges, tinctures, and gel caps from Select. Additionally, we have commenced development of our own proprietary brands of products containing CBD that will initially include tinctures, gel caps, topicals, and cartridges for vaporization. We expect our initial proprietary CBD product lines to launch in the third quarter of 2019.

We offer products containing CBD only in states in which the distribution and sale of such products are authorized by, and can be effected in compliance with, applicable state laws and regulations. While we believe our current operations comply with existing federal and state laws relating to hemp and hemp-derived products, we will have to quickly adapt our operations to comply with forthcoming and rapidly-shifting federal and state regulations.

Recent Developments Regarding Flavored Vaporizer Products

Since mid-2017, the FDA has been pursuing actions to reduce tobacco-related disease and the use of combustible cigarettes, which cause the overwhelming majority of tobacco-related diseases and deaths. After reviewing the results of surveys of middle and high school students that found significant increases in the use by teens of e-cigarettes and other ENDS, such as the vaporizers sold by JUUL Labs, the FDA continues to express growing concern about the popularity of JUUL products, particularly flavored products, among youth. On November 15, 2018, the FDA issued a statement in which it announced that it is directing the FDA's Center for Tobacco Products to revisit its compliance policy as it relates to ENDS products that are flavored, including all flavors other than tobacco, mint and menthol, and to implement changes that would protect teenagers by mandating that all flavored ENDS products (other than tobacco, mint and menthol) be sold only in age-restricted, in-person locations and, if sold on-line, only under heightened practices for age verification. In addition, it was announced that the FDA will pursue the removal from the market of those ENDS products that are marketed to children or are appealing to the youth market, including any products that use popular children's cartoon or animated characters, or are names of products that are names of products favored by children, such as brands of candy or soda.

On November 14, 2018, JUUL Labs announced that, in furtherance of its common goal with the FDA to prevent youth from initiating the use of nicotine, and in anticipation of the above FDA announcement, JUUL Labs plans to eliminate some of its social media accounts, including its U.S. social media accounts on Facebook and Instagram, and it has halted most retail sales of its flavored products in the United States as part of a plan to restrict the access of its products to youth. As part of its plan, JUUL Labs indicated it will temporarily stop selling most of its flavored JUUL pods in all retail stores in the United States, including convenience stores and vape shops, and will restrict sales to adults 21 and over on its secure website. JUUL Labs also indicated that it will start accepting orders for its flavored products only from retail stores and establishments that can legally sell flavors and can implement JUUL Lab's new restricted distribution system, which initially

will designate flavored JUUL products as age restricted, require an electronic scan of a customer's government-issued identification card or license verifying the purchaser's age to be 21 or more for restricted JUUL products regardless of local laws and limit the quantity of items that can be purchased at one time to prevent bulk purchases.

We expect that our sales will be adversely impacted by the U.S. restriction of sales of flavored JUUL products, at least in the near term. Flavored products manufactured by JUUL Labs represented approximately 16.2% and 4.8% of our net sales for the years ended December 31, 2018 and 2017, respectively.

Key Success Factors of our Product Offerings. We believe our success as a leading distributor in our marketplace is due primarily to the following key factors:

Premium Brands. Our premium brands act as a strategic tool that helps us stand out in a diverse and crowded market, gain repute for our products and connect with customers. Retailers can get overwhelmed by the constant introduction of new products and brands in the marketplace, most of which offer average or below average performance and little brand recognition. However, because we dedicate the time and resources necessary to identify, purchase and offer the products that deliver superior performance, design and brand appeal, our B2B customers can more easily make strategic purchasing decisions. In addition to providing products that are functionally superior at competitive price points, we help to build a culture around these premium brands that creates customer brand loyalty and secures a strong position for us as the pivotal relationship between supplier and customer.

Market Knowledge. Our proprietary industry data generated from our strong relationships with industry-leading suppliers allows us to help define, develop and deliver strategies for creating brands, which we believe provides us a strong competitive advantage. Our data also enables us to understand market opportunities and to develop our own brands that provide higher margins, while remaining careful to identify and pursue opportunities that do not directly compete with our key suppliers. To that end, we have developed the Higher Standards brand, as well as our proprietary Groove and Aerospaced grinder brands. We also are developing additional brands, including VIBES, a rolling paper brand created under a joint venture with an affiliate of Gilbert Milam, one of the industry's most influential celebrities, and a line of high-end glass pipes and accessories developed under an intellectual property license from Keith Haring Studio. We are evaluating numerous other brand development opportunities and intend to directly oversee the manufacturing and marketing of our proprietary brands.

Distribution Agreements. We enter into both exclusive and non-exclusive distribution agreements with our suppliers. When our agreements are exclusive, the exclusivity is typically limited to certain specified channels of distribution, such as sales to independent shops and other "brick and mortar" retail establishments. Our suppliers frequently retain the non-exclusive right to distribute their products via e-commerce channels. These distribution agreements typically have a territorial scope consisting of the United States, and in some cases include Canada and the rest of the world, or a specified group of other countries. In most cases, the agreement is for a term of between one and three years, and is thereafter renewable at the discretion of both parties. Our suppliers also grant us a non-exclusive license to use their trademarks and related intellectual property in connection with the distribution and resale of the relevant products.

Our distribution agreements frequently include a commitment by us to provide customer service and to provide the supplier with fulfillment services for which we are compensated. We work with most of our suppliers to provide compelling in-store materials that help our retail customers advertise and sell products, including posters, countertop displays, window clings, and other in-store advertising, some of which is created by our in-house marketing team. We also are able to provide a range of additional services to our suppliers, which may include inventory investment and logistics, marketing support, live customer service and warranty repair. We believe these value-added services allow us to build an integrated relationship with our suppliers by alleviating our suppliers of certain customer-related business functions so they may focus on the development and refinement of their products.

The suppliers of some of the most successful brands in our industry, including PAX Labs, JUUL Labs, Storz & Bickel, Grenco Science and Firefly, distribute their products through us. These leading brands are secure in knowing that we consistently provide our retail customers with white-glove customer service and support. Our strategic partnerships and exclusivity agreements with industry-leading suppliers reflect on our ability to exceed typical industry service levels and support.

Information and Education. We supply our employees, suppliers and customers with timely, pertinent information about products, regulatory requirements and trends impacting our industry. Additionally, we provide each sales representative in our company with an extensive and ongoing education on our products and services so they have confidence and knowledge when responding to a customer's questions.

We understand the value of technical industry information and make it available to our end users via the "Knowledge Base" link on *VapeWorld.com*, which allows us to provide our customers with timely and detailed information about our product offerings, including product reviews, warranty information, frequently asked questions, tips and tricks, troubleshooting, cleaning and maintenance, step-by-step usage guides, and much more.

Merchandising

Our merchandising strategy is to (i) offer unique, distinctive and often exclusive premium products at affordable prices, (ii) maintain a breadth of merchandise categories, (iii) provide a carefully crafted selection of core items within targeted categories, (iv) emphasize new and fresh-to-market products by continually updating our product mix, and (v) market products in a visually appealing manner to create an inviting atmosphere that encourages frequent visits to our B2B and B2C e-commerce websites. Our information systems permit close tracking of product sales, which enables us to react quickly to market trends and identify best sellers. Internally-generated daily sales and product margin reports help us to maximize sales and margins of successful products and categories, and reduce the accumulation of slow-moving inventory. As our industry continues to evolve at a rapid rate, the number and make-up of our active products is continuously changing.

We purchase merchandise from approximately 140 suppliers and dedicate considerable resources to identifying and evaluating best-in-class brands, as well as identifying the most reliable, innovative and quality-conscious manufacturers. We also actively scout promising start-up suppliers that offer exciting up-and-coming products for which we seek to establish lead distribution rights in exchange for providing our expertise and resources to assist them in growing and scaling quickly.

Our extensive distribution networks, purchasing volumes and financial resources, together with our exclusive and proprietary products, distinguish our offering and provide us the opportunity to increase our sales and gross margins. We believe our selective product sourcing and quality control processes are central to our continued success.

Sales Channels

While we predominantly market and sell our products in North America, our e-commerce websites increase our global reach and we also ship our products to Europe, Australia and other select countries. The following table sets forth for the years ended December 31, 2018 and 2017 the amount and percentage of our net sales derived from our sales of products to customers located in the United States, Canada and all foreign countries other than Canada based upon the locations to which our products are shipped.

	Year Ended December 31,			
	2018		2017	
	Amount	Percentage	Amount	Percentage
United States	$ 160,410,761	89.6%	$ 79,969,866	90.6%
Canada	15,579,618	8.7%	6,532,005	7.4%
Other foreign countries	2,944,558	1.6%	1,758,104	2.0%
Totals	$ 178,934,937	100%	$ 88,259,975	100.0%

Our marketing strategy is based on an omni-channel sales approach that allows us to deliver our premium branded products to a broad base of B2B and B2C costumers through four sales channels — wholesale, e-commerce, traditional retail and custom solutions.

Wholesale. Our B2B channel, which represented approximately 79.5% and 75.5% of our net sales for the years ended December 31, 2018 and 2017, respectively, supplies independent retailers, licensed producers, chain stores and dispensaries with many of the key premium products they sell. Our strategies to continue to build on this core channel include:

- **Sales Team Expansion.** We believe our highly-specialized sales force is well-positioned to drive continued growth. We invest in our talent by providing every sales representative with an extensive and ongoing education, and we have successfully developed programs that provide comprehensive product knowledge, as well as the tools needed to have a unique understanding of our customers' personalities and decision-making processes. As of December 31, 2018, our sales force included 90 sales representatives. We are confident that we can add and effectively train approximately ten sales representatives per month over the five-month period commencing in March 2019. This will allow us to reach more business accounts, which should lead to increased sales, greater share of shelf space, and higher market share.

- **Category Expansion.** We believe we are the market leader in the premium vaporizer market and have begun to further expand into new categories. For example, we will increase our limited product offering in the glass and rolling papers categories, which are significant sources of revenue for our B2B partners. We believe that specialty packaging will become a significant category with substantial recurring revenue opportunities. As such, we plan to aggressively expand our product offerings for packaging solutions by introducing innovative and attractive brands, including our own brands, and other products that we create pursuant to joint ventures with key influencers and celebrities. We have also commenced distribution of premium products containing hemp-derived CBD, which represents a new product category for us.

- **Category Management.** We believe retailers in our industry are frustrated by having to manage dozens of vendors. Our increasing size, product categories and sophistication allow us to cover more of such retailers' product needs and become their one-stop shop for premium products. We offer category management services to help retailers select appropriate product mixes and streamline their inventory management to increase inventory turnover and prevent stockouts. Further, chain stores, particularly in Canada, require their vendors to meet stringent standards that we are well positioned to meet, such as bar coding and labeling requirements, certain minimum financial thresholds and the ability to use the Electronic Data Interchange (EDI) system.

We believe our support of these sales channels, together with our market knowledge, business attributes, resources, products and services, will lead to an increased share of our customers' shelf space and increased market share.

Online Retail. We own and operate two of the leading direct-to-consumer e-commerce websites in our industry, *VapeWorld.com,* which we have operated since the inception of our company, and *VaporNation.com*, which we acquired in February 2018 as part of our acquisition of Better Life Holdings, LLC. Our B2C e-commerce channel represented approximately 3.2% and 2.7% of our net sales in the years ended December 31, 2018 and 2017, respectively.

Our retail websites create convenient, flexible shopping solutions for consumers. We offer premium products, provide access to a knowledgeable customer care team that is available via phone, text, and live chat, run social media initiatives across multiple platforms, and create industry-related blog posts. Our e-commerce websites increase our reach on a global scale. While our B2C customers are predominantly in North America, we also ship to Europe, Australia and other areas. Our websites have been optimized for shopping and purchasing across desktop, mobile phone and tablet devices, and features updates on new products. In addition, we leverage our websites as efficient inventory clearance vehicles by offering discounts and promotions on older products that allows us to keep our wholesale inventory fresh. All of our website orders are fulfilled by our own distribution facilities. In addition to our own B2C fulfillment, we also fulfill online orders for many of our largest suppliers, as well as for other leading e-commerce websites, including *Namaste.com* and *thefirefly.com*.

We continually work to optimize our e-commerce platforms to improve conversion rates, increase average order value, and grow margins. In addition, we are actively investing in user acquisition strategies and advertising campaigns to drive traffic that converts to sales. We have built out our internal development team and recently added three full-time search engine optimization ("SEO") experts, all of whom are helping to improve the Google rankings for our e-commerce properties. As of December 31, 2018, *VaporNation.com* ranked in the top five in 44 Google key search terms. For the year ended December 31, 2018, our websites attracted an average of over 292,000 unique monthly visitors and generated an average of more than 4,900 monthly transactions. However, within the next six months, we plan to combine and relaunch both of our existing websites under the umbrella of our proprietary domain name, *Vapor.com*. We believe the existing volume of business we are attracting through our two existing websites, together with a focused investment in the marketing of our new *Vapor.com* website, will further establish us as the leading consumer destination for premium vaporization products and consumption accessories.

Retail Stores. In December 2017, we opened our first Higher Standards retail store at New York City's famed Chelsea Market to sell innovative products, including our proprietary Higher Standards brand, and to enhance our direct sales channels by migrating single-channel customers to omni-channel customers. In March 2019, we expect to open our second Higher Standards retail location in Atlanta's popular Ponce City Market. We expect to open two to four additional retail stores in North America by December 31, 2019. We expect these stores to be leased and to range in size from approximately 800 square feet to approximately 1,200 square feet. We intend to leverage our customer databases, including purchasing history and customer demographics, to determine the geographic locations for our future retail stores.

Supply and Packaging. Our supply and packaging channel, which represented 9.9% and 5.9% net sales in the years ended December 31, 2018 and 2017, respectively, supplies state-licensed cannabis cultivators, processors and dispensaries with premium child-resistant packaging to comply with state laws and safety requirements, custom-branded products, and vaporization hardware, each of which has specific growth strategies.

- **Child-resistant Packaging.** Under our proprietary Pollen Gear brand, we offer an attractive line of premium child-resistant and specialty packaging solutions, in comparison to the more generic offerings of our competitors. We expect to aggressively expand our product offerings in this category with new silhouettes, sizes and storage vessels to address more of our customers' needs. We are in the process of increasing our abilities to keep up with growing demand and allow us to service customers efficiently, secure sizable recurring revenue streams and achieve superior margins. We already stock clear packaging and white lids in bulk in the United States, which allows us to reduce importation times and to utilize a network of service providers that can rapidly paint, tint and embellish packaging products with faster delivery to our customers. We believe our market knowledge, on-the-ground relationships with customers and complementary product offerings will further set us apart from our competition.

- **Closed-system Cartridges and Vaporizers.** As the industry continues to expand and undergo rapid growth, so too does the evolution of how end users are consuming cannabis, nicotine and other herbs. We believe closed-end systems (where the storage tank or storage compartment "cartridge" connects only with a select vaporizer) represent a tremendous growth opportunity for our company. We market these vaporizers using, essentially, a captive razor-and-replacement blades business model that leads to ongoing replenishment sales and increased lifetime customer value. We distribute the vaporizer hardware (razor) to our customers, and we also manage the logistics for the empty cartridges to be ordered and delivered to state-licensed fulfillment businesses that, in turn, fill them and sell them to licensed dispensaries and other licensed intermediaries. We distribute leading products in this category, such as the G Pen Gio and the Double Barrel. Some of the leading vaporizer brands with the most name recognition are those we have worked with for years and are making a natural migration into these captive products. We believe our market knowledge, relationships with vaporizer brands and on-the-ground relationships with licensed dispensaries and intermediaries, together with our complimentary product offerings, will further add to our business opportunities.

Inventory Management and Logistics

Inventory Management. We have established procurement procedures within our highly-customized ERP system to optimize our inventory needs and identify lead-time inventory ordering requirements. We conduct weekly reviews to highlight possible overstock situations, which allows us to implement promotions and other strategies before margins and inventory valuations are negatively impacted. We regularly analyze the gross margins on our products to optimize financial returns, monitor inventory turn-over, identify stellar product performance and highlight maturing and slowing products. These disciplines allow us to negotiate better pricing based on volume discounts or set staggered delivery schedules. Our inventory systems enable us to track our inventory levels in real time, empowering our sales force to maintain an elevated level of customer satisfaction which encourages repeat purchases.

Location and Delivery Logistics. Our ability to profitably scale our operations and adapt to customer demands are significant advantages in our industry and are dependent upon our logistical capabilities. We have built a network of six strategically-located distribution centers that provide optimal coverage to most of the United States and Canada, and ensure timely and cost-effective transit and delivery of products to our customers. We believe that approximately 90% of our current customers can be reached within two days via FedEx Ground or similar ground delivery services. Due to our mature infrastructure and continuously-evolving operational efficiencies, we provide our customers with accurate logistics and purchase transactions.

Competition

Business-to-Business. We operate in an evolving industry in which the market and its participants remain highly fragmented. For example, although it is difficult to find reliable independent research, we believe there are over 24,000 potential B2B customers in North America comprised of independent retail shops, specialty retailers, licensed cannabis dispensaries and regional retailer chains, the latter particularly in Canada. We currently service approximately 6,600 of these businesses. We expect that the number of these outlets will continue to expand as our market segment experiences further and increasing growth. Our B2B business customers compete primarily on the basis of the breadth, style, quality, pricing and availability of merchandise, the level of customer service, brand recognition and loyalty. We successfully reach our B2B customers through our direct sales force and other marketing initiatives, and provide them with our strategically-curated mix of brands and products, merchandise planning strategies, exceptional customer service and value-added services. Among vaporizer product distributors, we compete against both suppliers and other distributors. A number of suppliers choose to distribute directly in some sales channels and may also operate their own e-commerce platforms. We face competition from many small privately-owned regional distributors that carry a narrow range of products. We believe there are only a select few wholesale distributors carrying a complete line of premium vaporization products and consumption accessories. We believe our competitors include Phillips & King International, Windship Trading Co. and West Coast Gifts. Our principal competitors for the sale of supplies and packaging are KushCo Holdings, Inc., eBottles and large packaging companies, such as Berlin Packaging.

Business-to-Consumer. A number of suppliers of vaporizers and specialized consumption products and accessories operate their own e-commerce websites through which they sell their items directly to end consumers. Additionally, there are hundreds of websites that sell similar products in North America, Europe, Australia and other parts of the world. We believe we compete effectively with other e-commerce websites. Further, we provide fulfillment services to the owners of some of these websites as they do not carry their own inventory, are not able to ship as efficiently as we do and are unable to meet all regulatory requirements, such as sales tax collection. Our competitors' websites rank in most search categories far below our two primary e-commerce websites, *VaporNation.com* and *VapeWorld.com*, which have their own dedicated design, social media and SEO teams. *VaporNation.com* is the highest ranked website in our niche according to Alexa Website Rankings and has first page rankings on numerous Google key term search results. We believe our market knowledge, large product selection, relationships with vaporizer brands, in-house search engine optimization teams, social media focus and distribution facilities spread through North America will enable us to extend our market leadership in this segment.

Information Technology and Systems

We continue to invest in information systems and technology to drive our business decisions, enhance customer experience, improve sales opportunities and create operating efficiencies. We utilize third-party software for financial reporting, inventory management, customer databases and customer campaign management, including "cloud" back-up. We also utilize leading e-commerce platforms hosted by third-party providers and an internally-developed proprietary database to accumulate business information. We have adopted cloud computing solutions for our enterprise resource planning, and we own, operate and maintain elements of these systems with an internal team of engineers and IT professionals with significant portions of these systems operated by third parties. In addition, we utilize best-in-class integrated systems for payroll, freight and logistics, distribution center management, point-of-sale, e-commerce, state and local taxes. We continue to innovate and optimize our technology systems and expect to continue to make significant investments in our technology and infrastructure.

Intellectual Property

We generally rely on trademark, copyright, patent and trade secret laws, as well as employee and third-party non-disclosure agreements, to protect our intellectual property and proprietary rights, including our customer lists. We currently own (inclusive of through subsidiaries) 24 U.S. federal registrations, 34 foreign registrations, a number of U.S. and foreign trademark applications, and a wide variety of common law trademark rights. Our registered U.S. trademarks include registrations for the following: AEROSPACED®; ATOZ VAPOR WORLD®; BIOVAPOR, Stylized®; DISPENSARY SERVICES®; Flame Logo®; G, Stylized ®; GREENLANE®; GROOVE®; GROOVE, Stylized®; GROOVE BY AEROSPACED®; HIGHER STANDARDS®; HOLD YOUR FIRE®; HS, Stylized®; POP BOX®; QUICKDRAW®; SNAPTECH®; VAPE WORLD®; VAPE WORLD with Design®; VAPORNATION®; VAPOR NATION Logo®; and YOUR ONLINE VAPORIZER SUPERSTORE®. Our registered trademarks, if not maintained, are scheduled to expire between 2019 and 2033.

In addition, we currently own three issued U.S. patents, 23 issued foreign patents, 15 U.S. patents pending, four foreign patents pending and two international PCT applications pending.

Seasonality

While most of our products are sold consistently throughout the year, we do experience moderate seasonality in the form of increased demand for our products in the fourth quarter of the calendar year, which coincides with Cyber Monday (the first Monday after Thanksgiving, when online retailers typically offer holiday discounts), the holiday season and our related promotional and marketing campaigns. Our fiscal 2018 quarters in sequential order equaled 24.2%, 22.7%, 24.3%, and 28.8% of total sales, respectively.

Employees

As of December 31, 2018, we employed 256 employees, seven of whom were part-time employees in retail and distribution and fulfillment positions, within the United States and Canada. Of the full-time employees, 36 were employed in administration and corporate management positions, 23 were employed in accounting, finance and compliance positions, 110 were employed in marketing and sales positions, 74 were employed in distribution and fulfillment positions and six were employed in retail positions. None of our employees is covered by a collective bargaining agreement and we consider our employee relations to be good. All employees are subject to contractual agreements that specify requirements on confidentiality and restrictions on working for competitors as well as other standard matters.

Facilities

Our principal executive offices are located in an approximately 50,000-square-foot building in Boca Raton, Florida that we recently acquired for use as our corporate headquarters.

We currently have four distribution centers in the United States and two in Canada, comprising a total of approximately 58,000 square feet. The distribution centers allow us to reach approximately 90% of our customers in just one or two days via FedEx Ground or similar ground transportation services. Five of these facilities are leased and operated by our company. Our sixth distribution center, which is located in Schenectady, New York, is leased and operated by a third-party logistics contractor.

We also lease approximately 1,200 square feet of space in New York City and 1,400 square feet of space in Atlanta, Georgia for our flagship Higher Standards retail stores.

We expect to open or acquire additional distribution centers as we expand our business to Europe, Australia and South America and initially expect to open or acquire facilities in London, Amsterdam, and Bogota, Colombia. We believe that our facilities are sufficient for our current needs and that additional facilities will be available to accommodate the expansion of our business.

Executive Officers and Directors

The following table provides information with respect to individuals who will serve as our directors and executive officers at the time of this offering

Name	Age	Position(s)
Aaron LoCascio	33	Chief Executive Officer and Chairman of the Board of Directors
Adam Schoenfeld	34	Chief Strategy Officer and Director
Sasha Kadey	34	Chief Marketing Officer
Jay Scheiner	63	Chief Operating Officer
Ethan Rudin	44	Chief Financial Officer
Neil Closner	44	Director Nominee
Richard Taney	62	Director Nominee
Jeff Uttz	49	Director Nominee

Executive Officers

Aaron LoCascio, our co-founder, has served as our Chief Executive Officer and Chairman of the Board of Directors since May 2018 and has served as the Chief Executive Officer of Greenlane Holdings, LLC since its inception in 2007. Mr. LoCascio's term as a director will expire at our next annual meeting. He received his Associate's degree in Accounting from Valencia Community College. Mr. LoCascio brings to the board extensive executive leadership experience, industry relationships and knowledge, and, through his position as our co-founder and Chief Executive Officer, he will use his full range of skills and perspective to further our success.

Adam Schoenfeld, our co-founder, has served as our Chief Strategy Officer and Director since May 2018 and has served as Managing Member of Greenlane Holdings, LLC since its inception in 2007. Mr. Schoenfeld's term as a director will expire at the next annual meeting. Mr. Schoenfeld received his Bachelor's degree in International Business from Evergreen State College. He brings to the board valuable operational and leadership experience in the industry, extensive industry relationships and experience in customer service, import and export logistics, electronic transaction systems and order fulfillment.

Sasha Kadey will serve as our Chief Marketing Officer upon completion of the offering and has served as the Chief Marketing Officer of Greenlane Holdings, LLC since May 2016. From April 2012 to May 2016, Mr. Kadey was a partner at Luxury Brand Partners, an investment company that owns and operates a portfolio of luxury beauty companies. While at Luxury Brand Partners, he held several positions, including Vice President of Digital Marketing and Technology and Operations Manager. From July 2006 to April 2012, Mr. Kadey served as the Director of Marketing of King Estate Winery, a family owned and operated winery. From August 2009 to April 2012, Mr. Kadey served on the board of directors of Food for Lane County, a non-profit food bank. Mr. Kadey received his Bachelor's degree in Business Administration from the University of Oregon.

Jay Scheiner will serve as our Chief Operating Officer upon completion of the offering and has served as the Chief Operating Officer of Greenlane Holdings, LLC since February 2015. From October 2013 to February 2015, Mr. Scheiner served as the Principal of JS Inc, a consulting firm specializing in retail and wholesale operations. From July 2012 to October 2013, he served as the Chief Operating Officer of Crossroads Financial, LLC, a financial services company. He served as the U.S. Supply Chain Consultant for FitFlop, a women's shoe manufacturer, from May 2011 to July 2012 and held several positions with Barrett Distribution Centers, a third-party logistics warehousing services provider, including Director of Operations from October 2010 to March 2011 and Director of Administration from October 2007 to March 2010. Mr. Scheiner also spent nearly 30 years at Casual Male, a multi-divisional and omni-channel apparel and accessories retailer, where he served in IT and operations roles, including as Executive Vice President, Chief Information Officer. Mr. Scheiner received his Bachelor of Arts degree in Political Science from The City College of New York and a Master of Business Administration degree from Suffolk University.

Ethan Rudin has served as our Chief Financial Officer since February 2019. From July 2018 to February 2019, Mr. Rudin served as Senior Vice President, Head of Corporate Development & Partnerships of Octave Music Group, Inc., a music technology company. From August 2013 to December 2017, he held positions as Special Advisor

to the Chief Executive Officer and as Chief Financial Officer at Napster (formerly Rhapsody International), an online music subscription service. Prior to joining Napster, Mr. Rudin served as Director of Global Strategy and Corporate Development for Starbucks Corporation (NASDAQ: SBUX), from January 2010 to August 2013. Mr. Rudin is a Certified Public Accountant and began his career in public accounting at KPMG LLP and in investment banking at Banc of America Securities LLC, J.P. Morgan Securities and Citigroup Global Investment Banking. Mr. Rudin received a Bachelor of Arts degree in Economics from Tufts University and a Master of Business Administration degree from Columbia Business School.

Board of Directors Nominees

Neil Closner is a nominee to our board of directors. Mr. Closner has over two decades of start-up, technology and health care experience. Most recently, from February 2013 to July 2018, he was the founder, Chief Executive Officer and a director of Canada-based MedReleaf Corp., one of the largest and most profitable providers of medical cannabis in Canada and was acquired by Aurora Cannabis Inc. in July 2018. Prior to establishing MedReleaf Corp., Mr. Closner served as Vice President of Business Development at Toronto's Mount Sinai Hospital, where he launched and managed a number of entrepreneurial enterprises within the hospital. Mr. Closner began his career as a health care-focused investment banker with Salomon Smith Barney (now Citigroup) and has also served as the founder, Chief Executive Officer and/or director of more than half a dozen technology and health care-related start-up companies. He served two terms as the Chairman of the Board of the Cannabis Canada Council, the national industry association that represents the majority of Canada's licensed cannabis producers. Mr. Closner studied economics at the London School of Economics and Political Science and received his Bachelor of Arts degree from McGill University and a Master of Business Administration degree from the Wharton School at the University of Pennsylvania. He brings to the board extensive leadership experience in the medical cannabis industry as well as experience in mergers and acquisitions.

Richard Taney is a nominee to our board of directors. Since June 2017, Mr. Taney has served as Managing Director of Tuatara Capital, LP, a cannabis industry-focused private equity fund. From April 2016 to July 2017, Mr. Taney served as the founding member of T2 Capital Management, LLC, an investment and advisory company focused on the cannabis industry. From October 2010 to April 2016, Mr. Taney served as President, Chief Executive Officer and director of Curaleaf, Inc. (formerly PalliaTech, Inc.), a cannabis cultivation and distribution company. Prior to co-founding Curaleaf, Inc., Mr. Taney was President and Chief Executive Officer of Delcath Systems, Inc. (NASDAQ: DCTH), a medical technology company. Mr. Taney also served as Chairman of the Board of Directors of MGT Capital Investments, Inc., another medical technology company. Prior to assuming his public company management positions, Mr. Taney spent 20 years advising institutional and high net worth clients at Salomon Brothers, Goldman Sachs, Merrill Lynch and Banc of America Securities. Mr. Taney received his Bachelor of Arts degree from Tufts University and a Juris Doctor degree from Temple University School of Law. He brings to the board broad management and finance experience as well as extensive experience in the cannabis industry.

Jeff Uttz is a nominee to our board of directors. From September 2013 to March 2017, Mr. Uttz served as the Chief Financial Officer of Shake Shack Inc. (NYSE: SHAK), an international burger restaurant chain. From September 2001 to June 2013, Mr. Uttz served as the Chief Financial Officer of Yard House USA, Inc., a full service restaurant chain. Prior to that, Mr. Uttz held a number of positions at CKE Restaurants, Inc., working his way up from Manager of Corporate Banking to Vice President of Finance. Mr. Uttz began his career at KPMG where he obtained his C.P.A. From July 2017 to July 2018, he also served as a non-executive director of Pret a Manger, an international sandwich shop chain. Mr. Uttz received his Bachelor of Arts degree in Business Administration from California State University, Fullerton. He brings to the board extensive financial expertise and significant experience in public company financial leadership.

Share Ownership by Directors and Officers

As of the date of this prospectus and after giving effect to the Transactions and the sale of shares of Class A common stock to be sold in this offering, assuming the underwriters do not exercise their option to purchase additional shares of Class A common stock, as a group, our directors, director nominees and executive officers will beneficially own, directly or indirectly, or exercise control over shares of Class A common stock, which shares will be issuable upon the redemption of Common Units of Greenlane Holdings, LLC and the cancellation of an aggregate of shares of Class B common stock and shares of Class C common stock. As of the date of this prospectus and after giving effect to the Transactions and the sale of shares of Class A common stock to be sold in this offering, assuming the underwriters do not exercise their option to purchase additional shares of Class

A common stock from the selling stockholders, as a group, our directors, director nominees and executive officers will beneficially own, directly or indirectly, or exercise control over Common Units, representing % of the ownership, of Greenlane Holdings, LLC, or Common Units, representing % of the ownership of Greenlane Holdings, LLC if the underwriters exercise in full their option to purchase additional shares of Class A common stock. See "Principal and Selling Stockholders."

Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions

None of our directors, director nominees or executive officers is, as at the date of this prospectus, or was within ten years before the date of this prospectus, a director, chief executive officer or chief financial officer of any company (including our company), that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days:

(a) that was issued while the director, director nominee or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) that was issued after the director, director nominee or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of our directors, director nominees, executive officers or stockholders beneficially holding a sufficient number of securities of our company to affect materially the control of our company:

(a) is, as at the date of this prospectus, or has been within the ten years before the date of this prospectus, a director or executive officer of any company (including our company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or stockholder.

None of our directors, director nominees, executive officers or stockholders beneficially holding a sufficient number of securities of our company to affect materially the control of our company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Board Composition and Structure; Director Independence

Our business and affairs are managed under the direction of our board of directors. Our amended and restated bylaws, which will become effective immediately prior to the consummation of this offering, will provide that our board of directors shall be comprised of at least five directors and that the size of our board of directors shall otherwise be determined from time to time by our board of directors. Our board of directors currently consists of two members, one of whom is our chief executive officer and the other of whom is our chief strategy officer, each of whom devotes his full time to our affairs. We intend to appoint the three director nominees listed above to our board of directors prior to or in connection with the completion of this offering. Subject to any rights applicable to any preferred stock we may issue from time to time, any additional directorships resulting from an increase in the number of directors may only be filled by the directors then in office unless otherwise required by law or by a resolution passed by our board of directors as provided in our amended and restated bylaws, which will become effective immediately prior to the completion of this offering. The term of office for each director will be until his or her successor is elected at our annual meeting or his or her death, resignation or removal, whichever is earliest to occur.

While we do not have a stand-alone diversity policy, in considering whether to recommend any director nominee, including candidates recommended by stockholders, we believe that the backgrounds and qualifications of the directors, considered as a group, should provide a significant mix of experience, knowledge and abilities that will allow our board of directors to fulfill its responsibilities. As set forth in our corporate governance guidelines, when considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable our board of directors to satisfy its oversight responsibilities effectively in light of our business and structure, the board of directors focuses primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above. We believe that our directors and director nominees will provide an appropriate mix of experience and skills relevant to the size and nature of our business.

Upon completion of this offering, Aaron LoCascio, our Chief Executive Officer, and Adam Schoenfeld, our Chief Strategy Officer, together with their affiliates, will control a majority of the combined voting power of our outstanding capital stock. As a result, Messrs. LoCascio and Schoenfeld will be able to control any action requiring the general approval of our stockholders, including the election of our board of directors.

Our board of directors has determined that Aaron LoCascio and Adam Schoenfeld, by virtue of their employment by our company, are not considered "independent" for purposes of applicable securities laws or under the rules of Nasdaq Marketplace Rules.

Our board of directors expects a culture of ethical business conduct. Our board of directors encourages each member to conduct a self-review to determine if he or she is providing effective service with respect to both our company and our stockholders. Should it be determined that a member of our board of directors is unable to effectively act in the best interests of our stockholders, such member would be encouraged to resign.

Board Leadership Structure

Our amended and restated bylaws, which will become effective immediately prior to consummation of this offering, and our corporate governance guidelines provide our board of directors with flexibility to combine or separate the positions of Chairman of the Board and Chief Executive Officer in accordance with its determination that utilizing one or the other structure is in the best interests of our company. Aaron LoCascio currently serves as our Chief Executive Officer and Chairman of the Board.

As Chairman of the Board, Mr. LoCascio's key responsibilities will include facilitating communication between our board of directors and management, assessing management's performance, managing board members, preparation of the agenda for each board meeting, acting as chair of board meetings and meetings of our company's stockholders and managing relations with stockholders, other stakeholders and the public.

We will take steps to ensure that adequate structures and processes are in place to permit our board of directors to function independently of management. The directors will be able to request at any time a meeting restricted to independent directors for the purposes of discussing matters independently of management and are encouraged to do so should they feel that such a meeting is required.

Committees of our Board of Directors

We expect that, immediately following this offering, the standing committees of our board of directors will consist of an audit committee, a compensation committee and a nominating and corporate governance committee. Each of the committees will report to our board of directors as they deem appropriate and as our board may request. Each committee of our board of directors will have a committee charter that will set out the mandate of such committee, including the responsibilities of the chair of such committee.

Upon completion of this offering, Aaron LoCascio, our Chief Executive Officer, and Adam Schoenfeld, our Chief Strategy Officer, together with their affiliates, will control a majority of the combined voting power of our outstanding capital stock. See "— Composition of Our Board of Directors." As a result, we will be a "controlled company" under the Nasdaq Marketplace Rules. As a controlled company, we will be permitted to opt out of certain corporate governance requirements, including the following requirements:

- that a majority of our board of directors consists of "independent" directors within the meaning of the Nasdaq Marketplace Rules;

- that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- for an annual performance evaluation of the nominating and governance committee and compensation committee.

These exemptions do not modify the independence requirements for our audit committee, and we intend to comply with the applicable requirements of the Sarbanes-Oxley Act and rules with respect to our audit committee within the applicable time frame.

The expected composition, duties and responsibilities of these committees are set forth below.

Audit Committee

The audit committee will be responsible for, among other matters:

- appointing, retaining and evaluating our independent registered public accounting firm and approving all services to be performed by them;
- overseeing our independent registered public accounting firm's qualifications, independence and performance;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC;
- reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements;
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; and
- reviewing and approving related person transactions.

Prior to or concurrently with the consummation of this offering, our audit committee will consist of our three director nominees, Messrs. Closner, Taney and Uttz, each of whom meets the definition of "independent director" for purposes of serving on an audit committee under Rule 10A-3 under the Exchange Act and Nasdaq Marketplace Rules. Mr. Uttz is expected to serve as chairman of our audit committee. Our board of directors has determined that Mr. Uttz qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K under the Securities Act. Our board of directors will adopt a new written charter for our audit committee, which will be available on our corporate website at *www.gnln.com*, to become effective upon the completion of this offering. The information on our website is not part of this prospectus.

Compensation Committee

The compensation committee will be responsible for, among other matters:

- reviewing key employee compensation goals, policies, plans and programs;
- reviewing and approving the compensation of our directors, chief executive officer and other executive officers;
- reviewing and approving employment agreements and other similar arrangements between us and our executive officers; and
- administering our stock plans and other incentive compensation plans.

Prior to or concurrently with the consummation of this offering, our compensation committee will consist of our three director nominees, Messrs. Closner, Taney and Uttz, each of whom meets the definition of "independent director" under Nasdaq Marketplace Rules, and the definition of non-employee director under Rule 16b-3

promulgated under the Exchange Act. Mr. Taney is expected to serve as chairman of our compensation committee. Our board of directors will adopt a written charter for the compensation committee in connection with this offering, which will be available on our corporate website at *www.gnln.com*, to become effective upon the completion of this offering. The information on our website is not part of this prospectus.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will be responsible for, among other matters:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- overseeing the organization of our board of directors to discharge our board's duties and responsibilities properly and efficiently;
- identifying best practices and recommending corporate governance principles; and
- developing and recommending to our board of directors a set of corporate governance guidelines and principles applicable to us.

Prior to or concurrently with the consummation of this offering, our nominating and corporate governance committee will consist of our three director nominees, Messrs. Closner, Taney and Uttz, each of whom meets the definition of "independent director" under Nasdaq Marketplace Rules. Mr. Closner is expected to serve as chairman of our nominating and corporate governance committee. Our board of directors will adopt a written charter for the nominating and corporate governance committee in connection with this offering, which will be available on our corporate website at *www.gnln.com*, to become effective upon the completion of this offering. The information on our website is not part of this prospectus.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of another entity that had one or more of its executive officers serving as a member of our board of directors or compensation committee. None of the members of our compensation committee, when appointed, will have at any time been one of our officers or employees.

Other Committees

Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Director Term Limits

Our board of directors will not adopt policies imposing an arbitrary term or retirement age limit in connection with individuals nominated for election as directors as it does not believe that such a limit is in the best interests of our company. Our nominating and corporate governance committee will annually review the composition of our board of directors, including the age and tenure of individual directors. Our board of directors strives to achieve a balance between the desirability of its members having a depth of relevant experience, on the one hand, and the need for renewal and new perspectives, on the other hand.

Gender Diversity Policy

Our board of directors is committed to nominating the best individuals to fulfill director and executive roles. Our board has not adopted policies relating to the identification and nomination of women directors and executives and as it does not believe that it is necessary in the case of our company to have such written policies at this time. Our board of directors believes that diversity is important to ensure that board members and senior management provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. We have not adopted a target regarding women on our board or regarding women in executive officer positions as our board believes that such arbitrary targets are not appropriate for our company. Currently, there are no women directors on our board and there is one woman holding an executive position within our company.

Risk Oversight

Our board of directors will oversee the risk management activities designed and implemented by our management. Our board of directors will execute its oversight responsibility for risk management both directly and through its committees. The full board of directors will also consider specific risk topics, including risks associated with our strategic plan, business operations and capital structure. In addition, our board of directors will regularly receive detailed reports from members of our senior management and other personnel that include assessments and potential mitigation of the risks and exposures involved with their respective areas of responsibility.

Our board of directors will delegate to the audit committee oversight of our risk management process. Our other board committees will also consider and address risk as they perform their respective committee responsibilities. All committees will report to the full board of directors as appropriate, including when a matter rises to the level of a material or enterprise level risk.

Code of Ethics

In connection with this offering, we intend to adopt a Code of Ethics that will become effective immediately prior to the completion of this offering and will apply to all of our employees, including our chief executive officer, chief financial officer and principal accounting officer. Our Code of Ethics will be available on our website at *www.gnln.com* by clicking on "Investors." If we amend or grant a waiver of one or more of the provisions of our Code of Ethics, we intend to satisfy the requirements under Item 5.05 of Form 8-K regarding the disclosure of amendments to or waivers from provisions of our Code of Ethics that apply to our principal executive officer, financial and accounting officers by posting the required information on our website at the above address within four business days of such amendment or waiver. The information on our website is not part of this prospectus.

Our board of directors, management and all employees of our company are committed to implementing and adhering to the Code of Ethics. Therefore, it is up to each individual to comply with the Code of Ethics and to be in compliance of the Code of Ethics. If an individual is concerned that there has been a violation of the Code of Ethics, he or she will be able to report in good faith to his or her superior. While a record of such reports will be kept confidential by our company for the purposes of investigation, the report may be made anonymously and no individual making such a report will be subject to any form of retribution.

Executive Compensation

The following discussion describes the significant elements of our executive compensation program, with emphasis on the process for determining compensation payable to our Chief Executive Officer, our Chief Financial Officer and our other most highly-compensated executive officers. During the year ended December 31, 2018, our Chief Executive Officer, our Chief Financial Officer and our other three most highly-compensated executive officers, or the three most highly-compensated individuals acting in a similar capacity (collectively, the "NEOs") were as follows, each of whom may have held a similar position in one or more of our subsidiaries:

- **Aaron LoCascio**, our Chairman and Chief Executive Officer;
- **Adam Schoenfeld**, our Chief Strategy Officer and a Director of our company;
- **Sasha Kadey**, our Chief Marketing Officer;
- **Jay Scheiner**, our Chief Operating Officer; and
- **Zachary Tapp**, our former Chief Financial Officer.

Compensation Discussion and Analysis

Overview

We operate in a highly-competitive and evolving market. To succeed in this market and achieve our strategic business and financial objectives, we need to attract, retain and motivate a highly-talented executive team. Our executive compensation program is designed to achieve the following objectives:

- to provide compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to our success;
- to motivate our executive team to achieve our strategic business and financial objectives; and
- to align the interests of our executive officers with those of our shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of our company.

We have historically offered our executive officers cash compensation in the form of base salary and an annual bonus. In addition, through 2016 and 2017, each of our executive officers other than our founders, Aaron LoCascio and Adam Schoenfeld, was awarded equity-based compensation in Greenlane Holdings, LLC. We believe that such equity-based compensation awards motivate our executive officers and key personnel to achieve our strategic business and financial objectives, and also align their interests with the long-term interests of our shareholders. As a result, we intend to increase our use of equity-based compensation awards as a publicly-traded company following this offering. While we have determined that our current executive officer compensation program is competitive and effective at attracting and maintaining executive officer talent, we will continue to evaluate our compensation practices on an ongoing basis to ensure that we are providing competitive compensation opportunities for our executive team. Additionally, we will be adopting our 2019 Equity Incentive Plan in connection with the consummation of the Transactions, which, among other things, is intended to replace the Phantom Equity Program.

As we transition from being a privately-held company to a publicly-traded company, we will continue to evaluate and adjust our compensation philosophy and compensation program as circumstances require and plan to continue to review the compensation of our executive team on an annual basis. As part of this review process, we expect to be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost, from a financial, reputational and operational perspective of adding to, or failing to retain our existing talent.

Compensation-Setting Process

Prior to the closing of this offering, our board of directors will establish a compensation committee to assist our board of directors in fulfilling its governance and supervisory responsibilities and to be responsible for, among other matters:

- reviewing key employee compensation goals, policies, plans and programs;
- reviewing, evaluating and determining company objectives related to the compensation of our Chief Executive Officer, the performance of our Chief Executive Officer relative to such goals and the compensation of our Chief Executive Officer;
- reviewing and approving the compensation of our directors and other executive officers; and
- reviewing and approving employment agreements and other similar arrangements between us and our executive officers.

Our board of directors will adopt a written charter for our compensation committee setting out its responsibilities for reviewing and making recommendations to our board of directors concerning the level and nature of the compensation payable to our directors and executive officers. Our compensation committee's oversight will include reviewing objectives, evaluating performance and ensuring that total compensation paid to our executive officers, personnel who report directly to our Chief Executive Officer and various other key officers and managers is fair, reasonable and consistent with the objectives and philosophy of our compensation program. See "Management — Committees of our Board of Directors — Compensation Committee."

It is anticipated that our Chief Executive Officer will make recommendations to the compensation committee each year with respect to the compensation for the other NEOs.

The compensation committee will meet at least annually to review our management compensation program and make recommendations for any program changes to our board of directors, as appropriate. As part of this annual review, the compensation committee may engage an independent compensation consultant to evaluate our executive compensation program against market practice.

Executive Compensation

In reviewing our compensation policies and practices each year, the compensation committee will seek to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with our risk profile. The compensation committee will also seek to ensure that our compensation practices do not encourage excessive risk-taking behavior by the executive team.

Insider Trading Policy

All of our executive officers, including the NEOs and our directors and other employees, will be subject to our insider trading policy, which will prohibit trading in our securities while in possession of material undisclosed information. Under this policy, such individuals will also be prohibited from entering into certain types of hedging transactions involving our securities, such as short sales, puts and calls. Furthermore, we will permit our executive officers, including the NEOs, and our directors to trade in our securities, including the exercise of options, only during prescribed trading windows.

Components of Compensation

Upon completion of this offering, the compensation of our executive officers is expected to include three major elements: (i) base salary, (ii) short-term cash incentives through an annual bonus opportunity, and (iii) long-term equity incentives in the form of equity compensation to be issued in accordance with our 2019 Equity Incentive Plan, which may consist of stock options, stock appreciation rights, restrictive stock grants or phantom stock awards. We do not intend to cause Greenlane Holdings, LLC to grant additional profits interest awards in the future. Perquisites and benefits are not expected to be a significant element of compensation of our executive officers.

Base Salaries

Base salary is provided as a fixed source of compensation for our executive officers. Base salaries are determined on an individual basis taking into account the scope of the executive officer's responsibilities and their prior experience. Base salaries are expected to be reviewed annually by the compensation committee and our board of directors and may be changed based on the executive officer's success in meeting or exceeding individual objectives, as well as to maintain market competitiveness. Base salaries can also be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer's role or responsibilities or in external market conditions.

Annual Bonuses

Annual bonuses are designed to motivate our executive officers to meet our strategic business and financial objectives generally and our annual financial performance targets in particular. Employees receive annual performance evaluations and participate in a goal-setting exercise to ensure their individual growth and development. We currently make annual bonus payments in cash and anticipate continuing to do so upon completion of this offering. Following completion of this offering, bonus payments for our executive officers will be determined by the compensation committee based on an individual's merit and accomplishments and the overall performance of our company.

2019 Equity Incentive Plan

Upon or prior to the completion of this offering, we will establish our 2019 Equity Incentive Plan. The 2019 Equity Incentive Plan will provide eligible participants with compensation opportunities in the form of cash and equity incentive awards. This plan will enhance our ability to attract, retain and motivate our executive officers and other key management and incentivize executives to increase our long-term growth and equity value in alignment with the interests of our shareholders. The material features of the 2019 Equity Incentive Plan are summarized below.

Eligibility and Administration. Our executive officers, employees, consultants and directors, and employees, consultants and directors of our subsidiaries will be eligible to receive awards under the 2019 Equity Incentive Plan. Following the completion of the offering, the 2019 Equity Incentive Plan will be administered by our board of directors. Our board of directors may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Section 16 of the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2019 Equity Incentive Plan, subject to its express terms and conditions. The plan administrator will set the terms and conditions of all awards under the 2019 Equity Incentive Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available. An aggregate of shares of our Class A common stock will be available for issuance under awards granted pursuant to the 2019 Equity Incentive Plan, which shares may be authorized but unissued shares, shares purchased in the open market or treasury shares. The number of shares available for issuance will be increased by an annual increase on the first day of each calendar year beginning January 1, 2020 and ending on and including January 1, 2028, equal to the least of (A) shares, (B) 5% of the aggregate number of outstanding shares of our Class A common stock and Class B common stock plus one-third of our outstanding shares of Class C common stock on the final day of the immediately preceding calendar year and (C) such smaller number of shares as is determined by our board of directors. If an award under the 2019 Equity Incentive Plan is forfeited, expires or is settled for cash, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the 2019 Equity Incentive Plan. In addition, shares tendered or withheld to satisfy grant or exercise price or tax withholding obligations associated with an award also may be used again for new grants under the 2019 Equity Incentive Plan.

Awards granted under the 2019 Equity Incentive Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the 2019 Equity Incentive Plan.

Awards. The 2019 Equity Incentive Plan will provide for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, performance shares, other incentive awards, stock appreciation rights, or SARs, and cash awards. No determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the 2019 Equity Incentive Plan. Certain awards under the 2019 Equity Incentive Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2019 Equity Incentive Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of our Class A common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

- ***Stock Options.*** Stock options provide for the purchase of shares of our Class A common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.

- ***SARs.*** SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions.

- ***Restricted Stock and RSUs.*** Restricted stock is an award of nontransferable shares of our Class A common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our Class A common stock in the future, which may also remain forfeitable unless and until specified conditions are met, and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our Class A common stock prior to the delivery of the underlying shares. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Conditions applicable to restricted stock and RSUs may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine.

- ***Other Stock or Cash-Based Awards.*** Other stock or cash-based awards of cash, fully-vested shares of our Class A common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our Class A common stock. Other stock or cash based-awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards.

Performance Awards. Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals or other criteria the plan administrator may determine, which may or may not be objectively determinable. Performance criteria upon which performance goals are established by the plan administrator may include but are not limited to: (1) the attainment by a share of a specified fair market value for a specified period of time; (2) book value per share; (3) earnings per share; (4) return on assets; (5) return on equity; (6) return on investments; (7) return on invested capital; (8) total stockholder return; (9) earnings or net income of the Company before or after taxes and/or interest; (10) earnings before interest, taxes, depreciation and amortization; (11) revenues; (12) market share; (13) cash flow or cost reduction; (14) interest expense after taxes; (15) economic value created; (16) improvements in capital

structure; (17) gross margin; (18) operating margin; (19) net cash provided by operations; (20) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, customer satisfaction, reductions in errors and omissions, reductions in lost business, management of employment practices and employee benefits, supervision of litigation and information technology, quality and quality audit scores, efficiency, working capital, goals relating to acquisitions or divestitures, land management, net sales or closings, inventory control, inventory, land or lot improvement or reduction, implementation or completion of critical projects, economic value; (21) adjusted earnings or loss per share; (22) employee satisfaction; (23) certain financial ratios (including those measuring liquidity, activity, profitability or leverage); (24) debt levels, covenants, ratios or reductions; (25) financing and other capital raising transactions; (26) year-end cash; (27) investment sourcing activity; (28) marketing initiatives; or (29) any combination of the foregoing, any of which may be measured either in absolute terms for us or any operating unit of our company or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

Certain Transactions. The plan administrator will have broad discretion to take action under the 2019 Equity Incentive Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our Class A common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the 2019 Equity Incentive Plan and outstanding awards.

Upon or in anticipation of a change in control of our company (as defined in the 2019 Equity Incentive Plan), the plan administrator will be authorized to take such actions as it deems appropriate, including, but not limited to, any of the following actions: (1) cancelling the awards in exchange for either an amount of cash or other property; (2) vesting of the awards, and to the extent applicable, making them exercisable; (3) providing that the awards will be assumed by the successor or survivor corporation or parent or subsidiary, or substituting the awards for awards of the successor or survivor corporation, parent, or subsidiary thereof (with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price); (4) adjusting the number and type of shares subject to the awards, and/or the terms and conditions of such awards; (5) replacing the awards; and/or (6) terminating and cancelling the awards or otherwise providing that the awards cannot become vested or be exercised following the change in control. Individual award agreements may provide for additional accelerated vesting and payment provisions.

Foreign Participants, Claw-Back Provisions, Transferability, Repricing and Participant Payments. The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by our company to the extent set forth in such claw-back policy and/or in the applicable award agreement. Subject to applicable limitations of the Code, the plan administrator may increase or reduce the applicable price per share of an award, or cancel and replace an award with another award. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2019 Equity Incentive Plan are generally non-transferable prior to vesting, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2019 Equity Incentive Plan, the plan administrator may, in its discretion, accept cash or check, shares of our Class A common stock that meet specified conditions, a "market sell order" or such other consideration as it deems suitable.

Plan Amendment and Termination. Our board of directors may amend or terminate the 2019 Equity Incentive Plan at any time; however, except in connection with certain changes in our capital structure or as provided for in the 2019 Equity Incentive Plan, stockholder approval will be required for any amendment that increases the number of shares available under the 2019 Equity Incentive Plan. No award may be granted pursuant to the 2019 Equity Incentive Plan after the tenth anniversary of the date on which our board of directors adopts the 2019 Equity Incentive Plan.

Profits Interest Awards

On June 1, 2016 and December 5, 2016, Greenlane Holdings, LLC entered into profits interest award agreements with Zachary Tapp, our former Chief Financial Officer, and Jay Scheiner, our Chief Operating Officer, and on January 20, 2017, Greenlane Holdings, LLC entered into a profits interest award agreement with Sasha Kadey, our Chief Marketing Officer. Under such agreements, Messrs. Kadey, Scheiner and Tapp were initially granted an aggregate 5.0% membership interest in Greenlane Holdings, LLC, subject to a vesting schedule. In December 2018, such profits interest awards were converted into membership interests in Greenlane Holdings, LLC, 50% of which were fully vested and 50% of which are subject to a vesting schedule. In connection with the consummation of the Transactions at or prior to the closing of this offering, such membership interests will be represented by Common Units of Greenlane Holdings, LLC and shares of our Class B common stock, subject in the case of the unvested securities to contractual specifications. We do not intend to grant additional profits interest awards in the future.

Phantom Stock Awards

As part of an incentive program, our subsidiary, Warehouse Goods LLC, offered certain key employees the opportunity to participate in a phantom stock plan dated January 20, 2017 (the "Phantom Equity Program"). Under the Phantom Equity Program, each participant was provided a "Phantom Equity Payment" in respect of an agreed upon number of bonus units. The number of units varied for each recipient. In December 2018, we terminated the Phantom Equity Program for new issuances and commenced exchanging all outstanding phantom equity awards for profits interests in Greenlane Holdings, LLC. In connection with the consummation of the Transactions at or prior to the closing of this offering, such profits interests will be converted to membership interests that will be represented by Common Units of Greenlane Holdings, LLC and shares of our Class B common stock, all of which will be subject to contractual vesting limitations.

Benefit Plans

We provide our executive officers, including the NEOs, with health and dental insurance programs and we also provide matching contributions to 401(k) savings plans, subject to a cap, as well as paid time off. We offer these benefits consistent with local market practice.

Summary Compensation Table

The following table sets out information concerning the compensation earned by, paid to, or awarded to the NEOs for the fiscal years ended December 31, 2018 and 2017.

Name and Principal Position	Year ended	Salary	Bonus[1]	Long term incentive plans[2]	All other compensation[3]	Total Compensation
Aaron LoCascio	2018	$ 280,000	—	—	$ 85,277	$365,277
Chief Executive Officer	2017	280,000	—	—	51,081	331,081
Adam Schoenfeld	2018	280,000	—	—	87,218	367,218
Chief Strategy Officer	2017	280,000	$ 38,500	—	30,272	348,772
Sasha Kadey	2018	255,000	50,000	$ 1,598,951	18,225	1,922,176
Chief Marketing Officer	2017	233,333	22,000	11,997	7,370	274,700
Jay Scheiner	2018	213,946	50,000	1,230,712	19,481	1,514,139
Chief Operating Officer	2017	191,178	14,000	4,103	17,228	226,509
Zachary Tapp	2018	188,206	15,000	1,230,712	8,334	1,442,252
Former Chief Financial Officer	2017	169,683	11,000	4,103	7,247	192,033

(1) All bonus payments were made at the discretion of Jacoby & Co. Inc. a company beneficially owned and controlled by Aaron LoCascio and Adam Schoenfeld and the managing member of Greenlane Holdings, LLC, based on the individual performance of the recipients and the operating results of Greenlane Holdings, LCC for the applicable compensation period.

(2) In December 2018, certain profits interest awards were converted into redeemable Class B units of Greenlane Holdings, LLC. The 2018 amounts reflect compensation expense recorded for the year ended December 31, 2018 related to the vesting of redeemable Class B units. The 2017 amounts reflect the grant date fair value of profits interests in Greenlane Holdings, LLC that were granted. See Note 15 of the Notes to Consolidated Financial Statements of Greenlane Holdings, LLC as of and for the years ended December 31, 2018 and 2017 included elsewhere in this prospectus.

(3) Other Compensation includes payments of certain legal fees and premiums on life insurance and vehicle insurance policies on behalf of our Chief Executive Officer and our Chief Strategy Officer.

Employment Agreements

On October 28, 2015, each of Aaron LoCascio, our Chief Executive Officer, and Adam Schoenfeld, our Chief Strategy Officer, entered into an employment agreement with Jacoby & Co. Inc. In November 2018, these employment agreements were assigned to our wholly-owned subsidiary, Warehouse Goods LLC. Warehouse Goods LLC entered into an employment agreements with Ethan Rudin, our Chief Financial Officer, on February 25, 2019, Jay Scheiner, our Chief Operating Officer, on April13, 2015, and Sasha Kadey, our Chief Marketing Officer, on April 14, 2016. Pursuant to these employment agreements, our NEOs are currently entitled to the following compensation:

Name and Principal Position	Annual Base Salary	Annual Bonus
Aaron LoCascio *Chief Executive Officer*	$ 380,000	No less than 30% of base salary unless otherwise mutually agreed
Adam Schoenfeld *Chief Strategy Officer*	380,000	No less than 30% of base salary unless otherwise mutually agreed
Sasha Kadey *Chief Marketing Officer*	260,000	10% discretionary bonus
Jay Scheiner *Chief Operating Officer*	220,000	Discretionary
Ethan Rudin *Chief Financial Officer*	250,000	Discretionary up to 40% of base salary

Each of the employment agreements provides for an original term of up to three years and for automatic one-year extensions unless either party gives written notice of termination not less than 60 days prior to the termination of the then-current term. Each NEO is entitled to the annual compensation described above, and is eligible to receive an annual incentive bonus as determined by our board of directors equal to a percentage of such NEO's base salary as described above. During the term of employment, each NEO is entitled to participate in all employee benefit plans and programs made available to our employees generally, subject to the eligibility and participation restrictions of each such plan or program. Each NEO also is entitled to reimbursement for all reasonable business expenses incurred by such NEO in connection with carrying out such NEO's duties.

Pursuant to their employment agreements, Messrs. LoCascio and Schoenfeld are each terminable by us at any time (i) for cause (as defined in their respective employment agreements), (ii) in the event of their death, or (ii) in the event of their disability. If Messrs. LoCascio or Schoenfeld are terminated for cause, they are entitled to receive their base salaries to the date of termination, any bonus that has accrued but is unpaid as of the date of termination and any reimbursable expenses not yet reimbursed ass of such date. If Messrs. LoCascio or Schoenfeld are terminated due to death or disability, they (or their estates) are entitled to receive their base salaries for six months after the date of termination, any bonus that has accrued but is unpaid as of the date of termination, payment for any accrued but unused vacation days and any reimbursable expenses not yet reimbursed as of such date.

Pursuant to their employment agreements, Messrs. Kadey, Scheiner and Rudin may terminate their employment at any time without cause. Messrs. Kadey, Scheiner and Rudin are each terminable by us at any time (i) without cause; (ii) for cause (as defined in their respective employment agreements), (iii) in the event of their death, or (iv) in the event of a breach by employee of any other term or condition of their employment agreement which remains uncured for a period of ten days. Upon termination of this agreement, neither party shall have any further obligation except for obligations accruing prior to the date of termination, with the exception of Mr. Scheiner, who is entitled to his salary for six months with benefits in force, excluding monthly car and cell phone allowances, if he is terminated without cause.

Pursuant to their employment agreements, each NEO also is subject to customary confidentiality restrictions and work-product provisions, and each NEO also is subject to customary non-competition covenants and non-solicitation covenants with respect to our employees, consultants and customers.

We do not currently maintain any retirement plans, other than matching 401(k) plans, for our executives or other employees.

Outstanding Equity Awards at Fiscal Year-End

The following table sets out information on the outstanding stock awards held by each of our NEOs as of December 31, 2018.

	Stock Awards	
Name	**Number of shares or units of stock that have not vested**	**Market value of shares or units of stock that have not vested**
Aaron LoCascio *Chairman and Chief Executive Officer*		
Adam Schoenfeld *Chief Strategy Officer*		
Sasha Kadey *Chief Marketing Officer*		
Jay Scheiner *Chief Operating Officer*		
Zachary Tapp *Former Chief Financial Officer*		

DIRECTOR COMPENSATION

General

The following discussion describes the significant elements of the expected compensation program for members of the board of directors and its committees. The compensation of our directors is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of our shareholders. Directors who are also executive officers (each, an "Excluded Director") will not be entitled to receive any compensation for his or her service as a director, committee member or Chair of our board of directors or of any committee of our board of directors.

Director Compensation

Our non-employee director compensation program is designed to attract and retain qualified individuals to serve on our board of directors. Our board of directors, on the recommendation of our compensation committee, will be responsible for reviewing and approving any changes to the directors' compensation arrangements. In consideration for serving on our board of directors, each director (other than Excluded Directors) will be paid an annual retainer. All directors will be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

In , 2019, our board of directors approved a non-employee director compensation policy, which will be effective for all non-employee directors upon the completion of this offering. Each non-employee director will receive an annual cash retainer of $50,000. Each non-employee director may elect to receive the annual base retainer in the form of stock options, provided that, except in the case of the initial annual base retainer, such election is made in the calendar year preceding the year in which such compensation is earned. We will pay all amounts in quarterly installments.

In addition, each non-employee director who will become a director after the effectiveness of the registration statement of which this prospectus is a part will receive a one-time initial award of stock options having a grant date fair value of approximately $70,000 to purchase shares of our Class A common stock, which options will have a term of five years and will fully vest on the one year anniversary of the grant date, subject to the director's continued service on the board of directors. Thereafter, each non-employee director will receive an annual award of stock options having a grant date fair value of approximately $50,000 to purchase shares of our Class A common stock, which options will have a term of five years and will fully vest on the one year anniversary of the date of grant, subject to the director's continued service on the board of directors.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out information on the outstanding share-based and option-based awards held by each of the individuals who will be a director as of the Closing of this offering, other than the Excluded Directors.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the Money Options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Neil Closner							
Richard Taney							
Jeff Uttz							

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our named executive officers and directors, we describe below each transaction or series of similar transactions, since January 1, 2017, to which we or Greenlane Holdings, LLC were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

See "Executive Compensation" for a description of certain arrangements with our executive officers and directors.

Related Party Agreements in Effect Prior to this Offering

On February 29, 2012, Aaron LoCascio, our Chief Executive Officer, made a loan to Greenlane Holdings, LLC in the amount of $675,179. This loan bore interest at a fluctuating rate of interest that was determined annually by the Founding Members. As of December 31, 2017, the outstanding principal amount of this note was $565,249. This note was paid in full in April 2018.

In the years ended December 31, 2018 and 2017, Warehouse Goods LLC paid approximately $61,000 and $81,000, respectively, to a company fifty percent (50%) owned by Mr. LoCascio and fifty percent (50%) owned by Zachary Tapp, our former Chief Financial Officer, for use of a boat for our marketing and business entertainment purposes. This arrangement will be terminated at the closing of this offering.

On October 4, 2017, Jacoby & Co. Inc. a company owned and controlled by Mr. LoCascio and our Chief Strategy Officer, Adam Schoenfeld, and that is the majority owner of Greenlane Holdings, LLC, entered into a credit agreement with Fifth Third Bank that provides a revolving credit facility for Greenlane Holdings, LLC of up to $8.0 million. On August 23, 2018, the parties to the original credit agreement entered into an amendment to such agreement pursuant to which Greenlane Holdings, LLC became the borrower, and Jacoby & Co. Inc. became a guarantor of the amounts borrowed thereunder. The amount of the revolving credit facility was increased from $8.0 million to $15.0 million and the termination date of the credit facility was extended from October 3, 2018 to August 23, 2020. On October 1, 2018, the parties to the amended credit agreement and 1095 Broken Sound Pkwy LLC, a newly-formed, wholly-owned subsidiary of Greenlane Holdings, LLC entered into an amendment to the amended credit facility to provide for a $8.5 million term loan on such date from Fifth Third Bank to 1095 Broken Sound Pkwy LLC. The term loan amortizes over a period of seven years and matures on October 1, 2025 with a final balloon payment of approximately $7,180,900. Interest accrues on borrowings under the credit facility at a rate equal to LIBOR plus 3.5% per annum and under the term loan at a rate equal to LIBOR plus 2.39% per annum. Our obligations under the credit facility and the term loan are guaranteed by Messrs. LoCascio and Schoenfeld, Jacoby & Co. Inc. and all of our operating subsidiaries and are secured by a first priority security interest in substantially all of our assets. The amounts drawn under such credit facility have fluctuated over the term of the credit facility and at times the credit facility has been drawn in full. There were no outstanding borrowings under the revolving credit facility as of December 31, 2018.

Policies and Procedures for Related-Person Transactions

Our board of directors recognizes the fact that transactions with related persons present a heightened risk of conflicts of interests and/or improper valuation (or the perception thereof). Our board of directors will adopt a written policy on transactions with related persons, to be effective upon completion of this offering. Under the new policy:

- any related-person transaction, and any material amendment or modification to a related-person transaction, must be reviewed and approved or ratified by a committee of the board of directors composed solely of independent directors who are disinterested or by the disinterested members of the board of directors; and
- any employment relationship or transaction involving an executive officer and any related compensation must be approved by the compensation committee of the board of directors or recommended by the compensation committee to the board of directors for its approval.

In connection with the review and approval or ratification of a related-person transaction:

- management must disclose to the committee or disinterested directors, as applicable, the name of the related person and the basis on which the person is a related person, the material terms of the related-person transaction, including the approximate dollar value of the amount involved in the transaction, and all the material facts as to the related person's direct or indirect interest in, or relationship to, the related-person transaction;
- management must advise the committee or disinterested directors, as applicable, as to whether the related-person transaction complies with the terms of our agreements governing our material outstanding indebtedness that limit or restrict our ability to enter into a related-person transaction;
- management must advise the committee or disinterested directors, as applicable, as to whether the related-person transaction will be required to be disclosed in our applicable filings under the Securities Act or the Exchange Act, and related rules, and, to the extent required to be disclosed, management must ensure that the related-person transaction is disclosed in accordance with such Acts and related rules; and
- management must advise the committee or disinterested directors, as applicable, as to whether the related person transaction constitutes a "personal loan" for purposes of Section 402 of SOX.

In addition, the related-person transaction policy provides that the committee or disinterested directors, as applicable, in connection with any approval or ratification of a related-person transaction involving a non-employee director or director nominee, should consider whether such transaction would compromise the director or director nominee's status as an "independent," "outside," or "non-employee" director, as applicable, under the rules and regulations of the SEC, Nasdaq and the Code.

The Transactions

In connection with the Transactions, we will engage in certain transactions with certain of our directors, executive officers and other persons and entities which are or will become holders of 5% or more of our voting securities upon the completion of the Transactions, including entering into the Greenlane Operating Agreement, the Tax Receivable Agreement and the Registration Rights Agreement. These transactions are described herein under the caption "The Transactions."

Greenlane Operating Agreement

We will operate our business through Greenlane Holdings, LLC and its subsidiaries. In connection with the completion of this offering, we and the Members will enter into Greenlane Holdings, LLC's Third Amended and Restated Operating Agreement, which we refer to as the "Greenlane Operating Agreement." Among the Members who will be party to the Greenlane Operating Agreement are each of our named executive officers, Aaron LoCascio, Adam Schoenfeld, Sasha Kadey, Jay Scheiner and Zachary Tapp, and each of our stockholders identified in the table in "Principal and Selling Stockholders" as beneficially owning shares of Class B common stock or Class C common stock. The operations of Greenlane Holdings, LLC, and the rights and obligations of the holders of Common Units, will be set forth in the Greenlane Operating Agreement.

Appointment as Manager. Under the Greenlane Operating Agreement, we will become a member and the sole manager of Greenlane Holdings, LLC. As the manager, we will be able to control all of the day-to-day business affairs and decision-making of Greenlane Holdings, LLC without the approval of any other Member, unless otherwise stated in the Greenlane Operating Agreement. As such, we, through our officers and directors, will be responsible for all operational and administrative decisions of Greenlane Holdings, LLC and the day-to-day management of Greenlane Holdings, LLC's business. Pursuant to the terms of the Greenlane Operating Agreement, we cannot be removed as the sole manager of Greenlane Holdings, LLC by the other Members.

Compensation. We will not be entitled to compensation for our services as the manager. We will be entitled to reimbursement by Greenlane Holdings, LLC for all fees and expenses incurred on behalf of Greenlane Holdings, LLC, including all expenses associated with this offering and maintaining our corporate existence, and all fees, expenses and costs of being a public company (including expenses incurred in connection with public reporting obligations, proxy statements, stockholder meetings, stock exchange fees, transfer agent fees, legal fees, SEC and

FINRA filing fees and offering expenses) and maintaining our corporate existence, including all costs of maintaining our board of directors and committees of the board, executive compensation and certain insurance policies.

Capitalization. The Greenlane Operating Agreement provides for a single class of common membership units, which we refer to as the "Common Units." The Greenlane Operating Agreement will reflect a split of Common Units such that one Common Unit can be acquired with the net proceeds received by us from this offering from the sale of one share of our Class A common stock. Each Common Unit will entitle the holder to a pro rata share of the net profits and net losses and distributions of Greenlane Holdings, LLC.

Distributions. The Greenlane Operating Agreement will require "tax distributions," as that term is defined in the Greenlane Operating Agreement, to be made by Greenlane Holdings, LLC to its "members," as that term is defined in the Greenlane Operating Agreement. Tax distributions will be made at least annually to each member of Greenlane Holdings, LLC, including us, based on such member's allocable share of the taxable income of Greenlane Holdings, LLC and at a commencing tax rate equal to the highest effective marginal combined federal, state and local income tax rate applicable to corporate or individual taxpayers that may potentially apply to any Member for the relevant period taking into account (i) any deductions pursuant to Section 199A of the Code, and (ii) the character of the relevant tax items (e.g., ordinary or capital), as we, as the sole manager of Greenlane Holdings, LLC, reasonably determine. For this purpose, the taxable income of Greenlane Holdings, LLC, and our allocable share of such taxable income, shall be determined without regard to any tax basis adjustments that result from our deemed or actual purchase of Common Units from the Members (as described above under "— Tax Receivable Agreement"). The tax rate used to determine tax distributions will apply regardless of the actual final tax liability of any such member. Tax distributions will also be made only to the extent all distributions from Greenlane Holdings, LLC for the relevant period were otherwise insufficient to enable each member to cover its tax liabilities as calculated in the manner described above. The Greenlane Operating Agreement will also allow for distributions to be made by Greenlane Holdings, LLC to its members on a pro rata basis out of "distributable cash," as that term is defined in the Greenlane Operating Agreement. We expect Greenlane Holdings, LLC may make distributions out of distributable cash periodically to the extent permitted by the agreements governing its indebtedness and as required by Greenlane Holdings, LLC for its capital and other needs, such that we in turn are able to make dividend payments, if any, to the holders of our Class A common stock.

Common Unit Redemption Right. The Greenlane Operating Agreement provides a redemption right to the Members which entitles them to have their Common Units redeemed, at the election of each such person, for, at our option, as determined by or at the direction of the independent directors (within the meaning of the Nasdaq Marketplace Rules) of our board of directors who are disinterested, newly-issued shares of our Class A common stock on a one-to-one basis or a cash payment equal to the five-day average volume weighted average market prices of one share of Class A common stock for each Common Unit redeemed (subject to customary adjustments, including for stock splits, stock dividends and similar events affecting the Class A common stock). If we decide to make a cash payment, the Member has the option to rescind its redemption request within a specified time period. Upon the exercise of the redemption right, the redeeming Member will surrender its Common Units to Greenlane Holdings, LLC for cancellation. The Greenlane Operating Agreement requires that we contribute cash or shares of our Class A common stock to Greenlane Holdings, LLC in exchange for an amount of Common Units in Greenlane Holdings, LLC that will be issued to us equal to the number of Common Units redeemed from the Member. Greenlane Holdings, LLC will then distribute the cash or shares of our Class A common stock to such Member to complete the redemption. In the event of such election by a Member, we may, at our option, effect a direct exchange by us of cash or our Class A common stock for such Common Units in lieu of such a redemption. Whether by redemption or exchange, we are obligated to ensure that at all times the number of Common Units that we own equals the number of shares of Class A common stock issued by us (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities).

Issuance of Common Units upon Exercise of Options or Issuance of Other Equity Compensation. We may implement guidelines to provide for the method by which shares of Class A common stock may be exchanged or contributed between us and Greenlane Holdings, LLC (or any subsidiary thereof), or may be returned to us upon any forfeiture of shares of Class A common stock, in either case in connection with the grant, vesting and/or forfeiture of compensatory equity awards granted by us, including under the 2019 Equity Incentive Plan, for the purpose of ensuring that the relationship between us and our subsidiaries remains at arm's-length.

Maintenance of one-to-one ratio of shares of Class A common stock and Common Units owned by Our Company. Our amended and restated certificate of incorporation and the Greenlane Operating Agreement will require that we and Greenlane Holdings, LLC, respectively, at all times maintain (i) a ratio of one Common Unit owned by us for each share of Class A common stock issued by us (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities), (ii) a one-to-one ratio between the number of shares of Class B common stock owned by the Non-Founder Members and the number of Common Units owned by the Non-Founder Members and (iii) a three-to-one ratio between the number of shares of Class C common stock owned by the Founder Members and the number of Common Units owned by the Founder Members or their affiliates.

Transfer Restrictions. The Greenlane Operating Agreement generally does not permit transfers of Common Units by Members, subject to limited exceptions or written approval of the transfer by the manager. Any transferee of Common Units must execute the Greenlane Operating Agreement and any other agreements executed by the holders of Common Units and relating to such Common Units in the aggregate.

Dissolution. The Greenlane Operating Agreement will provide that the decision of the manager, with the approval of the holders of a majority of the outstanding Common Units, will be required to voluntarily dissolve Greenlane Holdings, LLC. In addition to a voluntary dissolution, Greenlane Holdings, LLC will be dissolved upon a change of control transaction under certain circumstances, as well as upon the entry of a decree of judicial dissolution or other circumstances in accordance with Delaware law. Upon a dissolution event, the proceeds of a liquidation will be distributed in the following order: (i) first, to pay all expenses of winding up Greenlane Holdings, LLC; and (ii) second, to pay all debts and liabilities and obligations of Greenlane Holdings, LLC. All remaining assets of Greenlane Holdings, LLC will be distributed to the Members pro-rata in accordance with their respective percentage ownership interests in Greenlane Holdings, LLC (as determined based on the number of Common Units held by a member relative to the aggregate number of all outstanding Common Units).

Confidentiality. Each Member will agree to maintain the confidentiality of Greenlane Holdings, LLC's confidential information. This obligation excludes information independently obtained or developed by the Members, information that is in the public domain or otherwise disclosed to a member, in either such case not in violation of a confidentiality obligation or disclosures required by law or judicial process or approved by us.

Indemnification and Exculpation. The Greenlane Operating Agreement provides for indemnification for all expenses, liabilities and losses reasonably incurred by any person by reason of the fact that such person is or was a Member or is or was serving at the request of Greenlane Holdings, LLC as the manager, an officer, an employee or an agent of Greenlane Holdings, LLC; provided, however, that there will be no indemnification for actions made not in good faith or in a manner which the person did not reasonably believe to be in or not opposed to the best interests of Greenlane Holdings, LLC, or, with respect to any criminal action or proceeding other than by or in the right of Greenlane Holdings, LLC, where the person had reasonable cause to believe the conduct was unlawful, or for breaches of any representations, warranties or covenants by such person or its affiliates contained in the Greenlane Operating Agreement or in other agreements with Greenlane Holdings, LLC.

We, as the manager, and our affiliates, will not be liable to Greenlane Holdings, LLC, its members or their affiliates for damages incurred by any acts or omissions as the manager, provided that the acts or omissions of these exculpated persons are not the result of fraud, intentional misconduct, knowing violations of law, or breaches of the Greenlane Operating Agreement or other agreement with Greenlane Holdings, LLC.

Amendments. The Greenlane Operating Agreement may be amended with the consent of the holders of a majority in voting power of the outstanding Common Units; provided that if the manager holds greater than 33% of the Common Units, then it may be amended with the consent of the manager together with holders of a majority of the outstanding Common Units, excluding Common Units held by the manager. Notwithstanding the foregoing, no amendment to any of the provisions that expressly require the approval or action of certain members may be made without the consent of such members and no amendment to the provisions governing the authority and actions of the manager or the dissolution of Greenlane Holdings, LLC may be amended without the consent of the manager.

Tax Receivable Agreement

We expect to obtain an increase in our share of the tax basis of the assets of Greenlane Holdings, LLC when a Member receives cash or shares of our Class A common stock in connection with a redemption or exchange of such

Member's Common Units for Class A common stock or cash (such basis increase, the "Basis Adjustments"). We intend to treat such acquisition of Common Units as a direct purchase by us of Common Units or net capital assets from a Member for U.S. federal income and other applicable tax purposes, regardless of whether such Common Units are surrendered by a Member to Greenlane Holdings, LLC for redemption or sold to us upon the exercise of our election to acquire such Common Units directly. Basis Adjustments may have the effect of reducing the amounts that we would otherwise pay in the future to various tax authorities. The Basis Adjustments may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the Transactions described above, we will enter into the Tax Receivable Agreement with Greenlane Holdings, LLC and the Members. The Tax Receivable Agreement will provide for the payment by us to such persons of 85% of the amount of tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of the Transactions described above, including increases in the tax basis of the assets of Greenlane Holdings, LLC arising from such Transactions, and tax basis increases attributable to payments made under the Tax Receivable Agreement and deductions attributable to imputed interest and other payments of interest pursuant to the Tax Receivable Agreement. Greenlane Holdings, LLC will have in effect an election under Section 754 of the Code effective for each taxable year in which a redemption or exchange of Common Units for shares of our Class A common stock or cash occurs. These Tax Receivable Agreement payments are not conditioned upon any continued ownership interest in either Greenlane Holdings, LLC or us by any Member. The rights of each Member under the Tax Receivable Agreement are assignable by each Member with our consent, which we may not unreasonably withhold, so long as the assignee joins as a party to the Tax Receivable Agreement. We expect to benefit from the remaining 15% of tax benefits, if any, that we may actually realize.

The actual Basis Adjustments, as well as any amounts paid to the Members under the Tax Receivable Agreement, will vary depending on a number of factors, including:

- the timing of any subsequent redemptions or exchanges — for instance, the increase in any tax deductions will vary depending on the fair value, which may fluctuate over time, of the depreciable or amortizable assets of Greenlane Holdings, LLC at the time of each redemption or exchange;
- the price of shares of our Class A common stock at the time of redemptions or exchanges — the Basis Adjustments, as well as any related increase in any tax deductions, is directly related to the price of shares of our Class A common stock at the time of each redemption or exchange;
- the extent to which such redemptions or exchanges are taxable — if a redemption or exchange is not taxable for any reason, increased tax deductions will not be available; and
- the amount and timing of our income — the Tax Receivable Agreement generally will require us to pay 85% of the tax benefits as and when those benefits are treated as realized under the terms of the Tax Receivable Agreement. If we do not have taxable income, we generally will not be required (absent a change of control or other circumstances requiring an early termination payment) to make payments under the Tax Receivable Agreement for that taxable year because no tax benefits will have been actually realized. However, any tax benefits that do not result in realized tax benefits in a given taxable year will likely generate tax attributes that may be utilized to generate tax benefits in previous or future taxable years. The utilization of any such tax attributes will result in payments under the Tax Receivable Agreement.

For purposes of the Tax Receivable Agreement, cash savings in income and franchise tax will be computed by comparing our actual income and franchise tax liability to the amount of such taxes that we would have been required to pay had there been no Basis Adjustments and had the Tax Receivable Agreement not been entered into. The Tax Receivable Agreement will generally apply to each of our taxable years, beginning with the first taxable year ending after the completion of this offering. There is no maximum term for the Tax Receivable Agreement; however, the Tax Receivable Agreement may be terminated by us pursuant to an early termination procedure that requires us to pay the Members an agreed upon amount equal to the estimated present value of the remaining payments to be made under the agreement (calculated based on certain assumptions, including regarding tax rates and utilization of the Basis Adjustments).

The payment obligations under the Tax Receivable Agreement are obligations of our company and not of Greenlane Holdings, LLC. Although the actual timing and amount of any payments that may be made under the Tax Receivable Agreement will vary, we expect that the payments that we may be required to make to the Members could

be substantial. Any payments made by us to Members under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us or to Greenlane Holdings, LLC and, to the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by us.

Decisions made by us in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that are received by a Member under the Tax Receivable Agreement. For example, the earlier disposition of assets following a transaction that results in a Basis Adjustment will generally accelerate payments under the Tax Receivable Agreement and increase the present value of such payments.

The Tax Receivable Agreement provides that if (i) we materially breach any of our material obligations under the Tax Receivable Agreement, (ii) certain mergers, asset sales, other forms of business combination, or other changes of control were to occur, or (iii) we elect an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement would accelerate and become due and payable, based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result, (i) we could be required to make cash payments to the Members that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement, and (ii) if we elect to terminate the Tax Receivable Agreement early, we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the Tax Receivable Agreement could have a material adverse effect on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combination, or other changes of control. There can be no assurance that we will be able to finance our obligations under the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine. If any such position is subject to a challenge by a taxing authority the outcome of which would reasonably be expected to materially affect a recipient's payments under the Tax Receivable Agreement, then we will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of each Member that directly or indirectly owns at least 10% of the outstanding Common Units. We will not be reimbursed for any cash payments previously made to any Member pursuant to the Tax Receivable Agreement if any tax benefits initially claimed by us are subsequently challenged by a taxing authority and ultimately disallowed. Instead, in such circumstances, any excess cash payments made by us to a Member will be netted against any future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement. However, we might not determine that we have effectively made an excess cash payment to the Members for a number of years following the initial time of such payment and, if our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. As a result, it is possible that we could make cash payments under the Tax Receivable Agreement that are substantially greater than our actual cash tax savings.

Payments are generally due under the Tax Receivable Agreement within a specified period of time following the filing of our tax return for the taxable year with respect to which the payment obligation arises, although interest on such payments will begin to accrue at a rate of LIBOR plus 100 basis points from the due date (without extensions) of such tax return. Any late payments that may be made under the Tax Receivable Agreement will continue to accrue interest at LIBOR plus 500 basis points until such payments are made, including any late payments that we may subsequently make because we did not have enough available cash to satisfy our payment obligations at the time at which they originally arose.

Registration Rights Agreement

We intend to enter into the Registration Rights Agreement with the Members in connection with this offering. Among the Members who will be party to the Registration Rights Agreement are each of our named executive officers and each of our stockholders identified in the table in "Principal and Selling Stockholders" as beneficially owning shares of Class B common stock or Class C common stock. The Registration Rights Agreement will provide the Members who are party to the Registration Rights Agreement the right, at any time from and after 180 days

following the date of this prospectus, to require us to register under the Securities Act the shares of Class A common stock issuable to them upon redemption or exchange of their Common Units, including on a short-form registration statement, if and when we are eligible to utilize such registration statement. The Registration Rights Agreement will also provide for piggyback registration rights for such Members in certain circumstances. We will not be required to register the resale of the shares of Class A common stock issuable to the Members upon redemption or exchange of their Common Units to the extent that such shares of Class A Common Stock are eligible for resale under Rule 144 without volume or manner-of-sale restrictions.

Indemnification Agreements

Our amended and restated bylaws, as will be in effect prior to the closing of this offering, provide that we will indemnify our directors and officers to the fullest extent permitted by the laws of the State of Delaware in effect from time to time, subject to certain exceptions contained in our bylaws. In addition, our amended and restated certificate of incorporation, as will be in effect prior to the closing of this offering, will provide that our directors will not be personally liable to us or our stockholders for any damages other than for breaches of fiduciary duty involving intentional misconduct, fraud or a knowing violation of law.

Prior to the closing of this offering, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, and expense advancement and reimbursement, to the fullest extent permitted under the laws of the State of Delaware in effect from time to time, subject to certain exceptions contained in those agreements.

There is no pending litigation or proceeding naming any of our directors or officers to which indemnification is being sought, and we are not aware of any pending litigation that may result in claims for indemnification by any director or officer.

Directed Share Program

The underwriters have reserved for sale, at the public offering price, up to 5% of the shares of our Class A common stock being offered hereby to individuals, which may include certain of our officers, directors and employees, as part of a directed share program. The sales will be made by Empire Asset Management Co. as the directed share program administrator. The directed share program will not limit the ability of our officers, directors and employees to purchase more than $120,000 in value of our Class A common stock. We do not currently know the extent to which these related persons will participate in our directed share program, if at all, or the extent to which they will purchase more than $120,000 in value of our Class A common stock.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our Class A common stock, Class B common stock and Class C common stock, after the completion of the Transactions, including this offering, for:

- each person known by us to beneficially own more than 5% of our Class A common stock, Class B common stock or Class C common stock;
- each of our directors;
- each of our named executive officers;
- all of our executive officers and directors as a group; and
- each of the selling stockholders.

As described in "The Transactions" and "Certain Relationships and Related Party Transactions," each Member will be entitled to have their Common Units redeemed for Class A common stock on a one-to-one basis, or, at our option, cash equal to the market value of the applicable number of our shares of Class A common stock. In addition, at our election, upon a redemption request, we may effect a direct exchange of such Class A common stock or such cash for such Common Units. In connection with this offering, we will issue (i) to each Non-Founder Member for nominal consideration one share of Class B common stock for each Common Unit it owns and (ii) to each Founder Member for nominal consideration three shares of Class C common stock for each Common Unit it owns. As a result, the respective numbers of shares of Class B common stock and Class C common stock listed in the table below correlate to the number of Common Units each such Member will own immediately after this offering. See "The Transactions." The table below assumes the shares of Class A common stock are offered at $ per share (the midpoint of the price range listed on the cover page of this prospectus). See "Prospectus Summary — The Offering."

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options or other rights held by such person that are currently exercisable or will become exercisable within 60 days of the date of this prospectus, are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. Notwithstanding the preceding sentence, for purposes of the following table, we assumed that the Members were not entitled to have their Common Units redeemed for Class A common stock. Except as disclosed in the footnotes to this table and subject to applicable community property laws, where applicable, we believe each of the stockholders listed has sole voting and investment power with respect to the shares beneficially owned by the stockholder.

Unless otherwise specified in the footnotes, the address of each beneficial owner listed in the table below is c/o Greenlane Holdings, Inc., 1095 Broken Sound Parkway, Suite 300, Boca Raton, FL 33487.

	Class A Common Stock Beneficially Owned			Class B Common Stock Beneficially Owned			Class C Common Stock Beneficially Owned			Combined Voting Power	
Name of Beneficial Owner	After Giving Effect to the Transactions and Before this Offering†	After Giving Effect to the Transactions and After this Offering† (No Exercise of Option)	After Giving Effect to the Transactions and After this Offering† (With Full Exercise of Option)	After Giving Effect to the Transactions and Before this Offering†	After Giving Effect to the Transactions and After this Offering† (No Exercise of Option)	After Giving Effect to the Transactions and After this Offering† (With Full Exercise of Option)	After Giving Effect to the Transactions and Before this Offering†	After Giving Effect to the Transactions and After this Offering† (No Exercise of Option)	After Giving Effect to the Transactions and After this Offering† (With Full Exercise of Option)	After Giving Effect to the Transactions and After this Offering† (No Exercise of Option)	After Giving Effect to the Transactions and After this Offering† (With Full Exercise of Option)
5% Stockholders:											
Jacoby & Co. Inc.[1]											
Better Life Products Investment Group, Inc.[2]											
Named Executive Officers and Directors:											
Aaron LoCascio											
Adam Schoenfeld											
Sasha Kadey											
Jay Scheiner											
Ethan Rudin											
Zachary Tapp											
All executive officers and directors as a group (five individuals)											
Other Selling Stockholders											
Rochester Vapor Group, LLC[3]											

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* Less than 1.0%

† For purposes of this table, this offering includes the simultaneous issuance of shares of Class A common stock upon the automatic share settlement of the Convertible Notes and the related cancellation of Common Units of Members who received a portion of the net proceeds of the Convertible Notes in partial redemption of their membership interests in Greenlane Holdings, LLC.

(1) Jacoby & Co. Inc. is beneficially owned and controlled by Aaron LoCascio and Adam Schoenfeld.

(2) Jeffrey Sherman has voting and dispositive power over such securities. Better Life Products Investment Group, Inc.'s address is 16901 Crown Bridge Drive, Delray Beach, FL 33446.

(3) Clive Fleissig has voting and dispositive power over such securities. Rochester Vapor Group, LLC's address is 10561 Rochester Avenue, Los Angeles, CA 90024.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of our capital stock and provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, as each will be in effect prior to the closing of this offering, and certain provisions of Delaware law. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been or will be filed with the SEC as exhibits to the registration statement of which this prospectus is a part. References in this section to "we" "us" and "our" refer to Greenlane Holdings, Inc. and not to any of its subsidiaries.

General

Our amended and restated certificate of incorporation will provide that our authorized capital stock will consist of shares of Class A common stock, par value $0.01 per share, shares of Class B common stock, par value $0.0001 per share, shares of Class C common stock, par value $0.0001 per share and shares of preferred stock, par value $0.01 per share. After the consummation of this offering, we expect to have shares (or shares if the underwriters exercise in full their option to purchase additional shares) of Class A common stock issued and outstanding, shares of Class B common stock issued and outstanding (or shares if the underwriters exercise their option in full to purchase additional shares), shares of Class C common stock issued and outstanding (or shares if the underwriters exercise in full their option to purchase additional shares from the selling stockholders) as no shares of preferred stock issued and outstanding. The number of outstanding shares of Class A common stock includes shares of Class A common stock that the selling stockholders are selling in this offering if the underwriters' option to purchase additional shares is fully exercised, which may be resold immediately in the public market, as well as the issuance of shares of Class A common stock upon the automatic share settlement of the Convertible Notes, assuming an offering price per share of the Class A common stock of $, the midpoint of the price range set forth on the cover page of this prospectus.

Class A Common Stock

Issuance of Class A common stock with Common Units. We will undertake any action, including, without limitation, a reclassification, dividend, division or recapitalization with respect to shares of Class A common stock, to the extent necessary to maintain a one-to-one ratio between the number of Common Units we own, and the number of outstanding shares of Class A common stock, disregarding unvested shares issued in connection with stock incentive plans, shares issuable upon the exercise, conversion or exchange of certain convertible or exchangeable securities and treasury stock.

Voting Rights. Holders of our Class A common stock will be entitled to cast one vote per share. Holders of our Class A common stock will not be entitled to cumulate their votes in the election of directors. Generally, holders of all classes of our common stock vote together as a single class and an action is approved by our stockholders if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action, while directors are elected by a plurality of the votes cast. Except as otherwise provided by applicable law, amendments to our amended and restated certificate of incorporation must be approved by a majority or, in some cases, two-thirds of the combined voting power of all shares entitled to vote, voting together as a single class.

Dividend Rights. Holders of Class A common stock will share ratably (based on the number of shares of Class A common stock held) if and when any dividend is declared by our board of directors out of funds legally available therefor, subject to restrictions, whether statutory or contractual (including with respect to any outstanding indebtedness), on the declaration and payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock or any class or series of stock having a preference over, or the right to participate with, the Class A common stock with respect to the payment of dividends.

Liquidation Rights. On our liquidation, dissolution or winding up, each holder of Class A common stock will be entitled to a pro rata distribution of the net assets, if any, available for distribution to common stockholders.

Other Matters. No shares of Class A common stock will be subject to redemption or have preemptive rights to purchase additional shares of Class A common stock. Holders of shares of our Class A common stock do not have subscription, redemption or conversion rights. Upon completion of this offering, all the outstanding shares of Class A common stock will be validly issued, fully paid and non-assessable.

In connection with the sale of the Convertible Notes, we agreed with each purchaser of at least $5million principal amount of the Convertible Notes to use commercially reasonable efforts to cause the managing underwriters of this offering to offer to such purchasers, on the same terms, including price per share, and subject to the same conditions as are applicable to all other purchasers of Class A common stock in this offering, the option to purchase in this offering a number of shares of Class A common stock equal to 50% of the principal amount of Convertible Notes purchased by such purchaser divided by the price per share of the Class A common stock sold in this offering, rounded down to the next whole share. All such offers will be conducted in compliance with applicable law, including all applicable federal and state securities laws and regulations.

Class B Common Stock

Issuance of Class B common stock with Common Units. Shares of Class B common stock may be issued only to, and registered in the name of, the Non-Founder Members and persons who acquire shares of Class B common stock, by voluntary conversion of shares of Class C common stock or by a transfer from a holder of shares of Class B common stock. Shares of Class B common stock will only be issued in the future to the extent necessary in connection with the conversion of shares of Class C common stock and to maintain a one-to-one ratio between the number of Common Units owned by all holders of Class B common stock and the number of outstanding shares of Class B common stock owned by all such holders. Shares of Class B common stock will be cancelled on a one-to-one basis if a holder of shares of Class B common stock elects to have its corresponding Common Units redeemed pursuant to the terms of the Greenlane Operating Agreement.

Voting Rights. Holders of Class B common stock will be entitled to cast one vote per share, with the number of shares of Class B common stock held by each Non-Founder Member being equal to the number of Common Units held by such Non-Founder Member. Holders of our Class B common stock will not be entitled to cumulate their votes in the election of directors.

Generally, holders of all classes of our common stock vote together as a single class and an action is approved by our stockholders if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action, while directors are elected by a plurality of the votes cast. Except as otherwise provided by applicable law, amendments to our amended and restated certificate of incorporation must be approved by a majority or, in some cases, two-thirds of the combined voting power of all shares entitled to vote, voting together as a single class.

Dividend Rights. Holders of our Class B common stock will not participate in any dividend declared by our board of directors.

Liquidation Rights. On our liquidation, dissolution or winding up, holders of our Class B common stock will not be entitled to receive any distribution of our assets.

Transfers. Pursuant to our amended and restated certificate of incorporation and the Greenlane Operating Agreement, holders of our Class B common stock are subject to restrictions on transfer of such shares, including that:

- the holder will not transfer any shares of Class B common stock to any person unless the holder transfers an equal number of Common Units to the same person; and
- in the event the holder transfers any Common Units to any person, the holder will transfer an equal number of shares of Class B common stock to the same person.

Merger, Consolidation, Tender or Exchange Offer. The holders of our Class B common stock will have the right to receive, or the right to elect to receive, the same form and amount (on a per share basis) of consideration, if any, as the holders of our Class C common stock in the event of a merger, consolidation, conversion, exchange or other business combination requiring the approval of our stockholders or a tender or exchange offer to acquire any shares of our Class A common stock. However, in any such event involving consideration in the form of securities, the holders of our Class C common stock will be entitled to receive securities that have no more than three times the voting power of any securities distributed to the holders of our Class B common stock.

Other Matters. No shares of Class B common stock will be subject to redemption or have preemptive rights to purchase additional shares of Class B common stock. Holders of shares of our Class B common stock do not have subscription, redemption or conversion rights. Upon completion of this offering, all outstanding shares of Class B common stock will be validly issued, fully paid and non-assessable.

Class C Common Stock

Issuance of Class C common stock with Common Units. Shares of Class C common stock may be issued only to, and registered in the name of, the Founder Members, and will only be issued in the future to the extent necessary to maintain a one-to-three ratio between the number of Common Units owned by the holders of Class C common stock and the number of shares of Class C common stock owned by such holders. Shares of Class C common stock will be cancelled on a three-to-one basis if a holder of shares of Class C common stock elects to have its corresponding Common Units redeemed pursuant to the terms of the Greenlane Operating Agreement.

Voting Rights. Holders of our Class C common stock will be entitled to cast one vote per share, with the number of shares of Class C common stock held by each Founder Member being equal to three times the number of Common Units held by such Founder Member.

Generally, holders of all classes of our Class A common stock vote together as a single class and an action is approved by our stockholders if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action, while directors are elected by a plurality of the votes cast. Except as otherwise provided by applicable law, amendments to our amended and restated certificate of incorporation must be approved by a majority or, in some cases, two-thirds of the combined voting power of all shares entitled to vote, voting together as a single class.

Dividend Rights. Holders of our Class C common stock will not participate in any dividend declared by the board of directors.

Liquidation Rights. On our liquidation, dissolution or winding up, holders of Class C common stock will not be entitled to receive any distribution of our assets.

Transfers. Pursuant to our amended and restated certificate of incorporation and the Greenlane Operating Agreement, holders of our Class C common stock are subject to restrictions on transfer of such shares, including that:

- the holder will not transfer any shares of Class C Common Stock to any person other than Founder Members except as described below under "— Conversion;"
- the holder will not transfer any shares of Class C common stock to any permitted transferee unless the holder transfers one-third the number of Common Units to the same person; and
- in the event the holder transfers any Common Units to any permitted transferee, the holder will transfer three times the number of shares of Class C common stock to the same person.

Conversion. Every three shares of Class C common stock will be automatically converted into one share of Class B common stock if the holders of a majority of the shares of Class C common stock then outstanding, acting as a single class, approve or consent to such conversion.

In addition, if at any time any share of Class C common stock is not owned by, or is transferred to a person other than, (i) Mr. LoCascio or Mr. Schoenfeld, their spouses or any of their lineal descendants, (ii) any entity wholly owned by Mr. LoCascio or Mr. Schoenfeld, their spouses, any of their lineal descendants or any trust or other estate planning vehicle for the benefit of such persons, or (iii) any trust or other estate planning vehicle for the benefit of Mr. LoCascio or Mr. Schoenfeld, their spouses or any of their lineal descendants, such share of Class C common stock shall automatically be converted into one share of Class B common stock.

Merger, Consolidation, Tender or Exchange Offer. The holders of our Class C common stock will not be entitled to receive consideration per share, if any, for their shares in excess of one-third of that payable per share to the holders of our Class B common stock in the event of a merger, consolidation, conversion, exchange or other business combination requiring the approval of our stockholders or a tender or exchange offer to acquire any shares of our Class A common stock. However, in any such event involving consideration in the form of securities, the holders of our Class C common stock will be entitled to receive securities that have no more than three times the voting power of any securities distributed to the holders of our Class B common stock.

Other Matters. No shares of Class C common stock will be subject to redemption or have preemptive rights to purchase additional shares of Class C common stock. Holders of shares of our Class C common stock do not have subscription, redemption or, except as expressly provided in our amended and restated certificate of incorporation, conversion rights. Upon completion of this offering, all outstanding shares of Class C common stock will be validly issued, fully paid and non-assessable

Preferred Stock

Our amended and restated certificate of incorporation provides that our board of directors has the authority, without action by our stockholders, to designate and issue up to shares of preferred stock in one or more classes or series, and the number of shares constituting any such class or series, and to fix the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of preferred stock, including, without limitation, dividend rights, dividend rates, conversion rights, exchange rights, voting rights, rights and terms of redemption, dissolution preferences, and treatment in the case of a merger, business combination transaction, or sale of our assets, which rights may be greater than the rights of the holders of our Class A common stock. There will be no shares of preferred stock outstanding immediately after this offering.

The purpose of authorizing our board of directors to issue preferred stock and determine the rights and preferences of any classes or series of preferred stock is to eliminate delays associated with a stockholder vote on specific issuances. The simplified issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Additionally, the issuance of preferred stock may adversely affect the holders of our Class A common stock by restricting dividends on the Class A common stock, diluting the voting power of the Class A common stock or subordinating the dividend or liquidation rights of the Class A common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our Class A common stock.

Elimination of Liability in Certain Circumstances

Our amended and restated certificate of incorporation eliminates the liability of our directors to us or our stockholders for monetary damages resulting from breaches of their fiduciary duties as directors. Directors will remain liable for breaches of their duty of loyalty to us or our stockholders, as well as for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, and transactions from which a director derives improper personal benefit. Our amended and restated certificate of incorporation will not absolve directors of liability for payment of dividends or stock purchases or redemptions by us in violation of Section 174 (or any successor provision) of the Delaware General Corporation Law.

The effect of this provision is to eliminate the personal liability of directors for monetary damages for actions involving a breach of their fiduciary duty of care, including any such actions involving gross negligence. We do not believe that this provision eliminates the liability of our directors to us or our stockholders for monetary damages under the federal securities laws. Our amended and restated certificate of incorporation and amended and restated bylaws provide indemnification for the benefit of our directors and officers to the fullest extent permitted by the Delaware General Corporation Law as it may be amended from time to time, including most circumstances under which indemnification otherwise would be discretionary.

Provisions of Our Certificate of Incorporation and Bylaws and Delaware Anti-takeover Law

We are governed by the Delaware General Corporation Law. Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could make more difficult the acquisition of our company by means of a tender offer, a proxy contest or otherwise.

No written consent of stockholders. Our amended and restated certificate of incorporation and amended and restated bylaws provide that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting.

Super-Majority Vote For Certain Amendments. Our amended and restated certificate of incorporation provides that, notwithstanding any other provisions of our certificate of incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of our capital stock required by law or by our certificate of incorporation, or any certificate of designation with respect to a series of our preferred stock, any amendment or repeal of the provision that stockholders may not act by written consent in lieu of a meeting as described above shall require the affirmative vote of the holders of at least two-thirds of the voting power of all of the then-outstanding shares of our capital stock entitled to vote generally at an election of directors, voting together as a single class.

Advance Notice Procedures. Our amended and restated bylaws provide that our chief executive officer, chairperson of the board of directors or a majority of the members of our board of directors then serving may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our amended and restated bylaws also limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Our amended and restated bylaws also establish an advance notice procedure for stockholders to make nominations of candidates for election as directors, or bring other business before an annual or special meeting of the stockholders. This notice procedure provides that only persons who are nominated by, or at the direction of, our board of directors or by a stockholder who has given timely written notice to the secretary of our company prior to the meeting at which directors are to be elected, will be eligible for election as directors. The procedure also requires that, in order to raise matters at an annual or special meeting, those matters must be raised before the meeting pursuant to the notice of meeting the company delivers or by, or at the direction of, our board of directors or by a stockholder who is entitled to vote at the meeting and who has given timely written notice to the secretary of our company of his, her or its intention to raise those matters at the annual meeting. If our chairperson or other officer presiding at a meeting determines that a person was not nominated, or other business was not brought before the meeting, in accordance with the notice procedure, that person will not be eligible for election as a director or that business will not be conducted at the meeting.

Authorized but Unissued Shares. Our authorized but unissued shares of Class A common stock and preferred stock will be available for future issuance without stockholder approval. We may use these additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved shares of Class A common stock and preferred stock could render more difficult or discourage an attempt to obtain control of our company by means of a proxy contest, tender offer, merger or otherwise.

Limitation of officer and director liability and indemnification arrangements. Our amended and restated certificate of incorporation and our amended and restated bylaws limit the liability of our officers and directors to the maximum extent permitted by Delaware law. Delaware law provides that directors will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for:

- any breach of their duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

These provisions of our amended and restated certificate of incorporation and amended and restated bylaws have no effect on any non-monetary remedies that may be available to us or our stockholders, nor does it relieve us or our officers or directors from compliance with federal or state securities laws. The amended and restated bylaws also generally provide that we will indemnify, to the fullest extent permitted by law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, investigation, administrative hearing or any other proceeding by reason of the fact that he or she is or was our director or officer, or is or was serving at our request as a director, officer, employee or agent of another entity, against expenses incurred by him or her in connection with such proceeding. An officer or director will not be entitled to indemnification by us if:

- the officer or director did not act in good faith and in a manner reasonably believed to be in, or not opposed to, our best interests; or
- with respect to any criminal action or proceeding, the officer or director had reasonable cause to believe his or her conduct was unlawful.

In addition to the indemnification provided for in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered into indemnification agreements with our executive officers and our directors. Each indemnification agreement provides that we will indemnify such executive officer or director to the fullest extent permitted by law for claims arising in his or her capacity as our director or officer provided that he or she acted in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, our best interests and, with respect to any criminal proceeding, had no reasonable cause to believe that his or her conduct was

unlawful. In the event that we do not assume the defense of a claim against an executive officer or a director, we will be required to advance his or her expenses in connection with his or her defense, provided that he or she undertakes to repay all amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified by us.

The overall effect of the foregoing provisions and indemnification agreements may be to deter a future offer to buy our company. Stockholders might view such an offer to be in their best interest should the offer include a substantial premium over the market price of our Class A common stock at that time. In addition, these provisions may have the effect of assisting our management to retain its position and place it in a better position to resist changes that the stockholders may want to make if dissatisfied with the conduct of our business. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, the opinion of the SEC is that such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Number of Directors; Removal; Vacancies

Our amended and restated bylaws provide that we have five directors, provided that this number may be changed by vote of our board of directors. Vacancies on our board of directors may be filled only by the affirmative vote of a majority of the remaining directors then in office. Our amended and restated bylaws provide that, subject to the rights of holders of any future series of preferred stock, directors may be removed, with or without cause, at meetings of stockholders by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote generally in the election of directors.

Special Meetings of Stockholders; Limitations on Stockholder Action by Written Consent

Our amended and restated certificate of incorporation provides that special meetings of our stockholders may be called only by our chairman of the board, our chief executive officer, and our board of directors or holders of not less than a majority of our issued and outstanding voting stock. Any action required or permitted to be taken by our stockholders must be effected at an annual or special meeting of stockholders and may not be effected by written consent unless the action to be effected and the taking of such action by written consent have been approved in advance by our board of directors.

Authorized but Unissued Shares

The authorized but unissued shares of Class A common stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of Class A common stock could render it more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Advance Notice Requirements for Stockholder Proposals and Nomination of Directors

Our amended and restated bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice in writing. To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not less than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders. However, in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, such notice will be timely only if received not later than the close of business on the tenth day following the date on which notice of the date of the annual meeting was mailed to stockholders or made public, whichever first occurs. Our amended and restated bylaws also specify requirements as to the form and content of a stockholder's notice.

Trading

We have applied to list our Class A common stock on The Nasdaq Global Market under the symbol "GNLN."

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is Corporate Stock Transfer, Inc. The transfer agent's address is 3200 Cherry Creek South Drive, Suite 430, Denver, Colorado 80209, and its telephone number is (303) 282-4800.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. Future sales of substantial amounts of our Class A common stock in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our Class A common stock. No prediction can be made as to the effect, if any, future sales of shares, or the availability of shares for future sales, will have on the market price of our Class A common stock prevailing from time to time.

Rule 144

In general, under Rule 144 under the Securities Act ("Rule 144") as currently in effect, once we have been subject to public company reporting requirements under the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of Class A common stock then outstanding, which will equal approximately shares immediately after this offering, based on the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus; or
- the average weekly trading volume of the Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 are also subject to prescribed requirements relating to the manner of sale, notice and availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our Class A common stock pursuant to a written compensatory plan or contract and who is not deemed to have been one of our affiliates during the immediately preceding 90 days to sell such shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits our affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144.

Stock Plans

We intend to file a registration statement on Form S-8 under the Securities Act covering all of the shares of our Class A common stock reserved for issuance under the 2019 Equity Incentive Plan, which we intend to adopt in connection with this offering. We expect to file this registration statement as soon as practicable after this offering and adoption of the 2019 Equity Incentive Plan. Accordingly, shares registered under the registration statement on Form S-8 will be available for sale in the open market following its effective date, subject to any applicable vesting provisions and the Rule 144 limitations applicable to affiliates.

Lock-Up Agreements

In connection with this offering, we and our executive officers and directors and certain other stockholders (whose Common Units will be redeemable for shares of Class A common stock representing % of our pre-offering shares on a fully-diluted basis) will enter into 180-day lock-up agreements with the underwriters of this offering under which neither we nor they may, with limited exceptions, for a period of 180 days after the date of this prospectus, directly or indirectly sell, dispose of or hedge any shares of Class A common stock or any securities convertible into or exchangeable or exercisable for shares of Class A common stock without the prior written consent of Cowen and Company, LLC and Canaccord Genuity LLC, as representatives of the underwriters.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income and estate tax consequences of the purchase, ownership and disposition of our Class A common stock to a non-U.S. holder (as defined below) that purchases shares of our Class A common stock in this offering. This summary applies only to a non-U.S. holder that holds our Class A common stock as a "capital asset," within the meaning of Section 1221 of the Code. For purposes of this summary, a "non-U.S. holder" means any beneficial owner of our Class A common stock (other than an entity treated as a partnership) that is not, for U.S. federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

In the case of a holder that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership considering an investment in our Class A common stock, you are urged to consult your tax advisor.

This summary is based upon the provisions of the Code, the U.S. Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income and estate tax consequences different from those summarized below. We cannot assure you that a change in law, possibly with retroactive application, will not alter significantly the tax considerations that we describe in this summary. We have not sought and do not plan to seek any ruling from the IRS with respect to statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

This summary does not address all aspects of U.S. federal income and estate taxes and does not deal with non-U.S., state, local or other tax considerations that may be relevant to non-U.S. holders in light of their particular circumstances (including the Medicare contribution tax on net investment income). In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws including, without limitation, if you are:

- a United States expatriate;
- a broker, dealer or trader in securities, commodities or currencies;
- a person who holds our Class A common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- a person deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- a controlled foreign corporation, a passive foreign investment company, or a corporation that accumulates earnings to avoid U.S. federal income tax;
- a tax-exempt organization;
- a person subject to the alternative minimum tax;
- a government, government instrumentality or agency;
- a person who holds or receives our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- a bank, insurance company, or other financial institution; and

- a pass-through entity (including entities that are treated as pass-through entities for U.S. federal income tax purposes) and the owners of such entities that are subject to special treatment under the Code.

If you are considering the purchase of our Class A common stock, you are urged to consult your tax advisor to determine the particular U.S. federal income and estate tax consequences that may be relevant to you, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Distributions

A distribution of cash or property that we pay in respect of our Class A common stock will be treated as a dividend for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Dividends paid to you generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, assuming certain requirements to obtain such reduced rate are met, as discussed below. However, dividends that are effectively connected with the conduct of a trade or business by you within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or a fixed base maintained by you in the United States) are not subject to such withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if you were a United States person as defined under the Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If the amount of a distribution paid on our Class A common stock exceeds our current and accumulated earnings and profits, such excess will be treated first as a tax-free return of capital to the extent of your adjusted tax basis in our Class A common stock, and thereafter as capital gain from a sale or other taxable disposition of our Class A common stock that is taxed to you as described below under the heading "Gain on Disposition of Class A Common Stock." Your adjusted tax basis in our Class A common stock is generally the purchase price of such Class A common stock.

If you wish to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends, then you must (a) provide the withholding agent with a properly completed and executed applicable IRS Form W-8 and certify under penalty of perjury that you are not a United States person as defined under the Code and are eligible for treaty benefits, or (b) if our Class A common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

If you are eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, then you may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS. Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to the benefits under any applicable income tax treaty.

Gain on Disposition of Class A Common Stock

Subject to the discussions below in "Information Reporting and Backup Withholding" and "FATCA," you generally will not be subject to U.S. federal income tax with respect to gain realized on the sale or other taxable disposition of our Class A common stock, unless:

- the gain is effectively connected with a trade or business you conduct in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by you in the United States);
- if you are an individual who is present in the United States for a period or periods aggregating 183 days or more in the taxable year of the sale or other taxable disposition and certain other conditions are met; or
- we are or have been during a specified testing period a "United States real property holding corporation" (a "USRPHC") for U.S. federal income tax purposes, and certain other conditions are met.

If you are a person described in the first bullet point above, you will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. In addition, a non-U.S. holder that is a corporation may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits, subject to adjustments, or at such lower rate as may be specified by an applicable income tax treaty.

If you are an individual described in the second bullet point above, you will be subject to a flat 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the United States, provided the non-U.S. holder timely files a U.S. federal income tax return with respect to such losses.

We believe that we are not, and we do not anticipate becoming, a USRPHC for U.S. federal income tax purposes.

Federal Estate Tax

Class A common stock held by an individual non-U.S. holder at the time of death will be included in such holder's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

Generally, we must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the amount of tax, if any, withheld with respect to such dividends. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which you are resident under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our Class A common stock within the United States or conducted through certain United States-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is timely furnished by you to the IRS.

FATCA

Under Sections 1471 through 1474 of the Code, such Sections commonly referred to as FATCA, a 30% U.S. federal withholding tax may apply to any dividends on our Class A common stock paid to (i) a "foreign financial institution" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "— Distributions," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisor regarding these requirements and whether they may be relevant to your ownership and disposition of our Class A common stock.

THE SUMMARY OF CERTAIN U.S. FEDERAL INCOME AND ESTATE TAX CONSEQUENCES ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY. POTENTIAL PURCHASERS OF OUR CLASS A COMMON STOCK ARE URGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX AND TAX TREATY CONSIDERATIONS OF PURCHASING, OWNING AND DISPOSING OF OUR CLASS A COMMON STOCK.

UNDERWRITING

We, the selling stockholders and the representatives of the underwriters for the offering named below have entered into an underwriting agreement with respect to the Class A common stock being offered. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase from us and the selling stockholders the number of shares of our Class A common stock set forth opposite its name below. Cowen and Company, LLC and Canaccord Genuity LLC are the representatives of the underwriters.

Underwriter	Number of Shares of Class A Common Stock
Cowen and Company, LLC	
Canaccord Genuity LLC	
Total	

The underwriting agreement provides that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters have agreed, severally and not jointly, to purchase all of the shares of Class A common stock sold under the underwriting agreement if any of these shares of Class A common stock are purchased, other than those shares of Class A common stock covered by the overallotment option described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We and the selling stockholders have agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect thereof.

The underwriters are offering the shares of Class A common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel and other conditions specified in the underwriting agreement. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Overallotment Option to Purchase Additional Shares of Class A Common Stock. The selling stockholders have granted to the underwriters an option to purchase up to additional shares of Class A common stock at the public offering price, less the underwriting discount. This option is exercisable for a period of 30 days. The underwriters may exercise this option solely for the purpose of covering overallotments, if any, made in connection with the sale of Class A common stock offered hereby. To the extent that the underwriters exercise this option, the underwriters will purchase additional shares of Class A common stock from the selling stockholders in approximately the same proportion as shown in the table above.

Directed share program. At our request, the underwriters have reserved for sale at the public offering price up to 5% of the shares of Class A common stock for sale to individuals, including our officers, directors and employees, as well as friends and family members of our officers and directors, who have expressed an interest in purchasing shares in this offering. The sales will be made by Empire Asset Management Co. as the directed share program administrator. If purchased by persons who are not officers or directors, the shares will not be subject to a lock-up restriction. If purchased by any officer or director, the shares will be subject to a 180-day lock-up restriction. The underwriters will receive the same underwriting discount on any shares purchased by these persons as they will on any other shares sold to the public in this offering. The number of shares of Class A common stock available for sale to the general public in this offering, referred to as the general public shares, will be reduced to the extent these persons purchase the directed shares in the program. Any directed shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares. Likewise, to the extent demand by these persons exceeds the number of directed shares reserved for sale in the program, and there are remaining shares available for sale to these persons after the general public shares have first been offered for sale to the general public, then such remaining shares may be sold to these persons at the discretion of the underwriters. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of the directed shares.

Discounts and Commissions. The following table shows the public offering price, underwriting discount and proceeds, before expenses to us and the selling stockholders. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of Class A common stock.

We estimate that the total expenses of the offering, excluding underwriting discount, will be approximately $ and are payable by us. We have agreed to reimburse the underwriters for certain of their expenses in an amount up to $100,000.

		Total	
	Per Share	Without Over Allotment	With Over Allotment
Public offering price			
Underwriting discounts and commissions			
Proceeds, before expenses, to Company			
Proceeds, to selling stockholders			

The underwriters propose to offer the shares of Class A common stock to the public at the public offering price set forth on the cover of this prospectus. The underwriters may offer the shares of Class A common stock to securities dealers at the public offering price less a concession not in excess of $ per share. If all of the shares of Class A common stock are not sold at the public offering price, the underwriters may change the offering price and other selling terms.

Discretionary Accounts. The underwriters do not intend to confirm sales of the shares of Class A common stock to any accounts over which they have discretionary authority.

Market Information. Prior to this offering, there has been no public market for shares of our Class A common stock. The initial public offering price will be determined by negotiations among us, the selling stockholders and the representatives of the underwriters. In addition to prevailing market conditions, the factors to be considered in these negotiations will include:

- the history of, and prospects for, our company and the industry in which we compete;
- our past and present financial information;
- an assessment of our management; its past and present operations, and the prospects for, and timing of, our future revenues;
- the present state of our development;
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares of Class A common stock may not develop. It is also possible that after the offering the shares of Class A common stock will not trade in the public market at or above the initial public offering price.

We have applied for the quotation of our Class A common stock on Nasdaq under the symbol ‘‘GNLN’’.

Stabilization. In connection with this offering, the underwriters may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions, penalty bids and purchases to cover positions created by short sales.

- Stabilizing transactions permit bids to purchase shares of Class A common stock so long as the stabilizing bids do not exceed a specified maximum, and are engaged in for the purpose of preventing or retarding a decline in the market price of the Class A common stock while the offering is in progress.
- Overallotment transactions involve sales by the underwriters of shares of Class A common stock in excess of the number of shares of Class A common stock the underwriters are obligated to purchase. This creates a syndicate short position which may be either a covered short position or a naked short position. In a covered short position, the number of shares of Class A common stock over-allotted by the underwriters is not greater than the number of shares of Class A common stock that they may purchase in the overallotment option. In a naked short position, the number of shares of Class A common stock involved is greater than the number of shares of Class A common stock in the overallotment option. The

underwriters may close out any short position by exercising their overallotment option and/or purchasing shares of Class A common stock in the open market.

- Syndicate covering transactions involve purchases of Class A common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares of Class A common stock to close out the short position, the underwriters will consider, among other things, the price of shares of Class A common stock available for purchase in the open market as compared with the price at which they may purchase shares of Class A common stock through exercise of the overallotment option. If the underwriters sell more shares of Class A common stock than could be covered by exercise of the overallotment option and, therefore, have a naked short position, the position can be closed out only by buying shares of Class A common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that after pricing there could be downward pressure on the price of the shares of Class A common stock in the open market that could adversely affect investors who purchase in this offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the Class A common stock originally sold by that syndicate member is purchased in stabilizing or syndicate covering transactions to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our Class A common stock or preventing or retarding a decline in the market price of our Class A common stock. As a result, the price of our Class A common stock in the open market may be higher than it would otherwise be in the absence of these transactions. Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our Class A common stock. These transactions may be effected on Nasdaq, in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making. In connection with this offering, underwriters and selling group members may engage in passive market making transactions in our Class A common stock on Nasdaq in accordance with Rule 103 of Regulation M under the Exchange Act during a period before the commencement of offers or sales of Class A common stock and extending through the completion of the distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, such bid must then be lowered when specified purchase limits are exceeded.

Lock-Up Agreements. Pursuant to certain ''lock-up'' agreements, we and our executive officers, directors and certain of our other stockholders, have agreed, subject to certain exceptions, not to offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of or announce the intention to otherwise dispose of, or enter into any swap, hedge or similar agreement or arrangement that transfers, in whole or in part, the economic consequence of ownership of, directly or indirectly, or make any demand or request or exercise any right with respect to the registration of, or file with the SEC a registration statement under the Securities Act relating to, any Class A common stock or securities convertible into or exchangeable or exercisable for any Class A common stock without the prior written consent of the representatives, for a period of 180 days after the date of the pricing of this offering.

This lock-up provision applies to Class A common stock and to securities convertible into or exchangeable or exercisable for Class A common stock. It also applies to Class A common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. The exceptions permit us, among other things and subject to restrictions, to: (a) issue Class A common stock or options pursuant to employee benefit plans, (b) issue Class A common stock upon exercise of outstanding options or warrants, (c) issue securities in connection with acquisitions or similar transactions, or (d) file registration statements on Form S-8. The exceptions permit parties to the ''lock-up'' agreements, among other things and subject to restrictions, to: (a) make certain gifts, (b) if the party is a corporation, partnership, limited liability company or other business entity, make transfers to any shareholders, partners, members of, or owners of similar equity interests in, the party, or to an affiliate of the party, if such transfer is not for value, (c) if the party is a corporation, partnership, limited liability company or other business entity, make transfers in connection with the sale or transfer of all of the party's capital stock, partnership interests, membership interests or other similar equity interests, as the case may be, or all or substantially all of the party's assets, in any such case not undertaken for the purpose of avoiding the restrictions imposed by the "lock-up" agreement and (d) participate in tenders involving the acquisition

of a majority of our stock. In addition, the lock-up provision will not restrict broker-dealers from engaging in market making and similar activities conducted in the ordinary course of their business.

The representatives, in their joint discretion, may release our Class A common stock and other securities subject to the lock-up agreements described above in whole or in part at any time. When determining whether or not to release our Class A common stock and other securities from lock-up agreements, the representatives will consider, among other factors, the holder's reasons for requesting the release, the number of shares of Class A common stock for which the release is being requested and market conditions at the time of the request. In the event of such a release or waiver for one of our directors or officers, the representatives shall provide us with notice of the impending release or waiver at least three (3) business days before the effective date of such release or waiver and we will announce the impending release or waiver by issuing a press release at least two business days before the effective date of the release or waiver.

Canada. This document constitutes an "exempt offering document" as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the securities described herein. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the securities described herein and any representation to the contrary is an offence.

The Class A common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations.* Any resale of the Class A common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Any discussion of taxation and related matters contained in this document does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a Canadian investor when deciding to purchase the securities and, in particular, does not address any Canadian tax considerations. No representation or warranty is hereby made as to the tax consequences to a resident, or deemed resident, of Canada of an investment in the securities or with respect to the eligibility of the securities for investment by such investment under relevant Canadian federal and provincial legislation and regulations.

United Kingdom. Each of the underwriters has represented and agreed that:

- it has not made or will not make an offer of the securities to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) (FSMA) except to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by us of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority (FSA);
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to us; and

- it has complied with and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the securities in, from or otherwise involving the United Kingdom.

Switzerland. The securities will not be offered, directly or indirectly, to the public in Switzerland and this prospectus does not constitute a public offering prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations.

European Economic Area. In relation to each Member State of the European Economic Area (the "EEA") which has implemented the European Prospectus Directive (each, a "Relevant Member State"), an offer of our shares of Class A common stock may not be made to the public in a Relevant Member State other than:

- to any legal entity which is a qualified investor, as defined in the European Prospectus Directive;
- to fewer 150 natural or legal persons (other than qualified investors as defined in the European Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by us for any such offer, or;
- in any other circumstances falling within Article 3(2) of the European Prospectus Directive,

provided that no such offer of our shares of Class A common stock shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the European Prospectus Directive or supplement prospectus pursuant to Article 16 of the European Prospectus Directive and each person who initially acquires any shares of Class A common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and with us that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the European Prospectus Directive.

In the case of any shares of Class A common stock being offered to a financial intermediary as that term is used in Article 3(2) of the European Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares of Class A common stock acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer or any shares of Class A common stock to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this description, the expression an "offer to the public" in relation to the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that Relevant Member State by any measure implementing the European Prospectus Directive in that member state, and the expression "European Prospectus Directive'' means Directive 2003/71/EC (and amendments hereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on our behalf, other than offers made by the underwriters and their respective affiliates, with a view to the final placement of the securities as contemplated in this document. Accordingly, no purchaser of the shares of Class A common stock, other than the underwriters, is authorized to make any further offer of shares of Class A common stock on our behalf or on behalf of the underwriters.

Electronic Offer, Sale and Distribution of Shares. A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of shares of Class A common stock to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations. Other than the prospectus in electronic format, the information on these websites is not part of this prospectus or

the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or any underwriter in its capacity as underwriter, and should not be relied upon by investors.

Other Relationships. The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. From time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future. Specifically, Cowen and Company, LLC and Canaccord Genuity LLC or their respective affiliates acted as joint placement agents in connection with issuance and sale of the Convertible Notes, for which they received customary fees. In addition, certain of the underwriters and/or their respective affiliates may hold some of the Convertible Notes. Upon the closing of this offering and the automatic share settlement of the Convertible Notes, assuming an offering price per share of the Class A common stock of $, the midpoint of the price range set forth on the cover page of this prospectus, Cowen and Company, LLC and/or its affiliates will own approximately % of our total outstanding Class A common stock.

LEGAL MATTERS

The validity of the Class A common stock offered hereby will be passed upon for us by Pryor Cashman LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by DLA Piper LLP (US), San Diego, California.

EXPERTS

The consolidated financial statements of Greenlane Holdings, LLC and its subsidiaries as of December 31, 2018 and 2017 and for each of the years then ended, have been included herein in reliance upon the report of BDO USA, LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of Better Life Holdings, LLC as of December 31, 2017 and for the year then ended, have been included herein in reliance upon the report of Squar Milner LLP, independent auditors, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Pollen Gear LLC as of December 31, 2018 and 2017 and for each of the years then ended, have been included herein in reliance upon the report of Squar Milner LLP, independent auditors, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of Class A common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information about us and the Class A common stock offered hereby, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and in each instance we refer you to the copy of such contract or other document filed as an exhibit to the registration statement. We currently do not file periodic reports with the SEC. Upon closing of our initial public offering, we will be required to file periodic reports, proxy statements and other information with the SEC pursuant to the Exchange Act. A copy of the registration statement and the exhibits filed therewith may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street, NE, Washington, DC 20549, and copies of all or any part of the registration statement may be obtained from that office. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the website is *www.sec.gov*.

You may request a copy of any of our filings with the SEC at no cost by writing us at the following address or telephoning us at the following number:

Greenlane Holdings, Inc.
1095 Broken Sound Parkway, Suite 300
Boca Raton, Florida 33487
(877) 292-7660

You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this prospectus.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Greenlane Holdings, Inc.

The financial statements of Greenlane Holdings, Inc. have been omitted because this entity is a business combination related shell company, as defined in Rule 405 under the Securities Act, has only nominal assets, has not commenced operations and has not engaged in any business or other activities except in connection with its formation. Greenlane Holdings, Inc. does not have any contingent liabilities or commitments.

Report of Independent Registered Public Accounting Firm

Members and Board of Directors
Greenlane Holdings, LLC
Boca Raton, Florida

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Greenlane Holdings, LLC (the "Company") and subsidiaries as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive (loss) income, changes in redeemable class B units and members' (deficit) equity, and cash flows for each of the two years in the period ended December 31, 2018, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and subsidiaries at December 31, 2018 and 2017, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2016.

West Palm Beach, Florida

March 19, 2019

GREENLANE HOLDINGS, LLC
Consolidated Balance Sheets

	December 31,	
	2018	**2017**
ASSETS		
Current assets		
Cash	$ 7,341,485	$ 2,080,397
Accounts receivable, net of allowance of $657,513 and $156,472 at December 31, 2018 and 2017, respectively	8,217,787	3,759,551
Inventories, net	29,502,074	14,159,693
Vendor deposits	7,917,148	2,338,312
Deferred offering costs	2,284,423	—
Other current assets	1,842,253	950,503
Total current assets	57,105,170	23,288,456
Deferred financing costs	92,080	63,952
Property and equipment, net	11,640,824	597,494
Intangible assets, net	3,662,409	1,555,884
Goodwill	5,445,691	3,150,121
Investments in associated entities	75,000	915,920
Total assets	$ 78,021,174	$ 29,571,827
LIABILITIES		
Current liabilities		
Accounts payable	$ 20,226,696	$ 15,500,519
Accrued expenses	9,945,156	3,337,672
Due to parent	—	610,544
Current portion of notes payable	168,273	7,792
Current portion of capital lease obligations	94,667	63,155
Total current liabilities	30,434,792	19,519,682
Convertible notes	40,200,000	—
Loans payable to members	—	565,249
Note payable, less current portion and debt issuance costs, net	8,176,343	—
Capital lease obligations, noncurrent	236,709	91,063
Total long-term liabilities	48,613,052	656,312
Total liabilities	79,047,844	20,175,994
Commitments and contingencies (Note 11)		
REDEEMABLE CLASS B UNITS	10,032,509	—
MEMBERS' (DEFICIT) EQUITY		
Class A units	(10,773,187)	6,449,921
Retained earnings	—	3,154,623
Accumulated other comprehensive loss	(285,992)	(208,711)
Total members' (deficit) equity	(11,059,179)	9,395,833
Total liabilities, redeemable Class B units and members' (deficit) equity	$ 78,021,174	$ 29,571,827

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREENLANE HOLDINGS, LLC
Consolidated Statements of Operations

	For the years ended December 31,	
	2018	**2017**
Net sales	$178,934,937	$ 88,259,975
Cost of sales	143,199,574	67,689,578
Gross profit	35,735,363	20,570,397
Operating expenses:		
Salaries, benefits and payroll taxes	19,174,531	8,254,449
General and administrative	17,549,279	8,808,966
Depreciation and amortization	1,491,897	791,209
Total operating expenses	38,215,707	17,854,624
(Loss) income from operations	(2,480,344)	2,715,773
Other (expense) income, net:		
Interest expense	(3,192,433)	(269,710)
Other income, net	104,387	28,027
Other expense, net	(3,088,046)	(241,683)
(Loss) income from continuing operations before income taxes	(5,568,390)	2,474,090
Provision for income taxes	319,321	182,533
Net (loss) income	$ (5,887,711)	$ 2,291,557

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREENLANE HOLDINGS, LLC
Consolidated Statements of Comprehensive (Loss) Income

	For the years ended December 31,	
	2018	**2017**
Net (loss) income	$ (5,887,711)	$ 2,291,557
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(77,281)	38,109
Total comprehensive (loss) income	$ (5,964,992)	$ 2,329,666

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREENLANE HOLDINGS, LLC
Consolidated Statements of Changes in Redeemable Class B Units and Members' (Deficit) Equity

	Redeemable Class B Units	Class A Units Capital Contribution	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' (Deficit) Equity
Balance, December 31, 2016	$ —	$ 6,449,921	$ 1,245,538	$ (246,820)	$ 7,448,639
Net income	—	—	2,291,557	—	2,291,557
Member distributions	—	—	(282,472)	—	(282,472)
Retrospective adjustment related to the adoption of ASC 606	—	—	(100,000)	—	(100,000)
Effects of foreign currency exchange	—	—	—	38,109	38,109
Balance, December 31, 2017	$ —	$ 6,449,921	$ 3,154,623	$ (208,711)	$ 9,395,833
Reclassification of retained earnings to Class A units capital account (Note 12)	—	3,154,623	(3,154,623)	—	—
Issuance of redeemable Class B units (Note 14)	8,890,000	—	—	—	—
Member distributions – subsidiary spinoff (Note 12)	(68,194)	(613,749)	—	—	(613,749)
Conversion of profits interests into redeemable Class B units (Note 15)	4,039,733	—	—	—	—
Redemption of Class A and redeemable Class B units (Note 12)	(2,079,010)	(12,995,990)	—	—	(12,995,990)
Net loss	(742,020)	(5,145,691)	—	—	(5,145,691)
Member distributions	(8,000)	(1,622,301)	—	—	(1,622,301)
Effects of foreign currency exchange	—	—	—	(77,281)	(77,281)
Balance, December 31, 2018	$10,032,509	$(10,773,187)	$ —	$ (285,992)	$(11,059,179)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREENLANE HOLDINGS, LLC
Consolidated Statements of Cash Flows

	For the years ended December 31,	
	2018	**2017**
Cash flows from operating activities:		
Net (loss) income	$ (5,887,711)	$ 2,291,557
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,489,160	789,004
Amortization of deferred financing costs	19,293	2,205
Debt issuance costs on convertible notes	2,636,826	—
Equity-based compensation expense	4,060,375	—
Deferred IPO offering costs	(2,284,423)	—
Deferred redeemable class B issuance costs	(118,008)	—
Provision for doubtful accounts	657,513	247,836
(Recovery of) provision for slow moving or obsolete inventory	(36,076)	67,466
Loss (Income) from equity method investments in associated entities	234,004	(22,325)
Other	11,956	(136,707)
Changes in operating assets and liabilities, net of the effects of acquisitions:		
Accounts receivable, net	(4,992,779)	(2,670,405)
Vendor deposits	(5,578,836)	(1,311,881)
Inventories, net	(11,941,244)	(8,608,831)
Other current assets	(708,952)	(619,809)
Accounts payable	2,664,419	10,897,072
Accrued expenses	6,197,167	2,198,865
Net cash (used in) provided by operating activities	(13,577,316)	3,124,047
Cash flows from investing activities:		
Acquisition of a subsidiary, net of cash acquired	785,081	—
Purchase of property and equipment, net	(10,897,339)	(289,835)
Purchase of intangible assets, net	(29,178)	(596,739)
Investment in joint ventures	(75,000)	—
Net cash used in investing activities	(10,216,436)	(886,574)
Cash flows from financing activities:		
Proceeds from issuance of convertible notes, net of issuance costs	38,875,036	—
Payments on long-term debt	(565,249)	(2,067,681)
Proceeds from notes payable	8,500,000	7,792
Payments on notes payable	(52,921)	—
(Payments to) proceeds from related party – line of credit, net	(610,544)	610,544
Payments of capital lease obligations	(122,020)	(88,407)
Payments of debt issuance costs	(186,880)	(66,157)
Redemption of Class A and redeemable Class B units	(15,075,000)	—
Member distributions	(1,630,301)	(282,472)
Net cash provided by (used in) financing activities	29,132,121	(1,886,381)
Effects of exchange rate changes on cash	(77,281)	38,109
Net increase in cash	5,261,088	389,201
Cash, as of beginning of the period	2,080,397	1,691,196
Cash, as of end of period	$ 7,341,485	$ 2,080,397
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	$ 124,807	$ 181,203
Cash paid during the period for interest	$ 3,182,242	$ 269,710
Non-cash investing and financing activities:		
Redeemable Class B units issued for acquisition of a subsidiary	$ 8,890,000	$ —
Deferred offering costs included in accounts payable and accrued expenses	$ 1,499,930	$ —
Spin off of equity investment in a subsidiary	$ 681,943	$ —
Assets acquired through capital leases	$ 286,088	$ 103,290

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NOTE 1. BUSINESS OPERATIONS

Greenlane Holdings, LLC (formerly known as Jacoby Holdings LLC) (the "Company"), is a holding company with investments in several companies that merchandise vaporizers and other products in the United States and Canada. Through its operating subsidiaries, the Company distributes to retailers through its wholesale operations and to consumers through its ecommerce activities. The Company operates four distribution centers in the United States and two distribution centers in Canada.

The Company was organized under the laws of the state of Delaware on October 28, 2015, and is based in Boca Raton, Florida.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the reporting and disclosure rules and regulations of the Securities Exchange Commission ("SEC") for all periods presented. Certain reclassifications have been made to prior year amounts or balances to conform to the presentation adopted in the current year. The Company is planning for an initial public offering ("IPO") in 2019; therefore, these consolidated financial statements include the application of U.S. GAAP for public entities.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Significant items subject to such estimates include the accounts receivable allowance for doubtful accounts, the allowance for slow-moving or obsolete inventory, assumptions used in the calculation of equity-based compensation, and the convertible notes valuation. Accordingly, actual results could differ from those estimates.

Segment Reporting

The Company has two distinct operating segments (the United States operations and Canadian operations). The Canadian operating segment consists of the Company's wholly-owned, Canada-based, subsidiary. The United States operating segment is comprised of all other operating subsidiaries. Each of the Company's operating segments share similar economic and other qualitative characteristics that meet all the criteria to be aggregated as one reportable segment. The Company has one reportable segment, which has been identified based on how the chief operating decision maker ("CODM") manages the business, makes operating decisions and evaluates operating performance. The Company's CODM is the Chief Executive Officer.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Sales by Category

	Years ended December 31,			
	2018		2017	
		%		%
Vaporizers & Components	$ 144,087,392	80.5%	$ 70,490,415	79.9%
Parts & Accessories	15,648,110	8.8%	8,407,113	9.5%
Custom Products / Packaging	6,675,541	3.7%	758,064	0.9%
Functional / Glass	5,161,793	2.9%	4,261,319	4.8%
Tools & Appliances	3,066,391	1.7%	1,349,480	1.5%
Grinders & Storage	2,851,391	1.6%	1,802,150	2.0%
Papers / Wraps	527,869	0.3%	570,341	0.7%
Other	916,450	0.5%	621,093	0.7%
Total	$ 178,934,937	100.0%	$ 88,259,975	100.0%

Sales by Country

	Years ended December 31,			
	2018		2017	
		%		%
USA	$ 160,410,761	89.6%	$ 79,969,866	90.6%
Canada	15,579,618	8.7%	6,532,005	7.4%
Other Foreign Countries	2,944,558	1.7%	1,758,104	2.0%
Total	$ 178,934,937	100.0%	$ 88,259,975	100.0%

Long-Lived Assets by Country

	As of December 31,			
	2018		2017	
		%		%
USA	$ 11,473,686	98.6%	$ 573,513	96.0%
Canada	167,138	1.4%	23,981	4.0%
Total	$ 11,640,824	100.0%	$ 597,494	100.0%

The Company does not have any long-lived assets located in other foreign countries.

Business Combinations

Business combinations are accounted for under the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations* ("ASC 805"). Under the acquisition method, the acquiring entity in a business combination recognizes 100 percent of the acquired assets and assumed liabilities, regardless of the percentage owned, at their estimated fair values as of the date of acquisition. Any excess of the purchase price over the fair value of the net assets and other identifiable intangible assets acquired is recorded as goodwill. To the extent the fair value of the net assets acquired, including other identifiable assets, exceeds the purchase price, a bargain purchase gain is recognized. Assets acquired, and liabilities assumed from contingencies, are recognized at fair value if the fair value can be determined during the measurement period. Results of operations of an acquired business are included in the consolidated statement of operations from the date of acquisition. Acquisition-related costs, including conversion and restructuring charges, are expensed as incurred. See Note 14.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Equity-Based Compensation

The Company granted incentive awards in the form of Class B redeemable units, profits interest units, and phantom equity units to certain executives and other employees of the Company. The Company accounts for these grants of equity awards to employees in accordance with ASC Topic 718, *Compensation - Stock Compensation*. This standard requires compensation expense to be measured based on the estimated fair value of share-based awards on the date of grant and recognized as expense over the requisite service period, which is generally the vesting period. Equity-based compensation costs are recognized using a graded vesting schedule. For liability-classified awards, the Company records fair value adjustments up to and including the settlement date. Changes in the fair value of the equity-based compensation liability that occur during the requisite service period are recognized as compensation cost over the vesting period. Changes in the fair value of the equity-based compensation liability that occur after the end of the requisite service period but before settlement, are compensation cost of the period in which the change occurs. The Company accounts for forfeitures as they occur. See Note 15.

Fair Value Measurements

The Company applies the provisions of ASC Topic 820, *Fair Value Measurements*, which defines fair value, establishes a framework for its measurement and expands disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The Company determines the fair market values of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

Level 1	Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and short-term debt, are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The fair value of long-term debt is the estimated amount the Company would have to pay to repurchase the debt, including any premium or discount attributable to the difference between the stated interest rate and market rate of interest at each balance sheet date. As of December 31, 2018, and 2017, the carrying amount of the Company's long-term debt, with the exception of the convertible notes which are discussed in Note 7, approximated its fair value.

The Company has no Level 1 or Level 2 financial instruments. There were no transfers between Level 1, 2 or 3 for the period presented. Level 3 liabilities consist of the convertible notes. See Note 7 for further discussion regarding the determination of the fair value of the convertible notes.

Cash

For purposes of reporting cash flows, the Company considers cash on hand, checking accounts, and savings accounts to be cash. The Company considers all highly-liquid investments with original maturities of three months or less from date of purchase to be cash equivalents. At times, the balance in these accounts may exceed federal insured limits. As of December 31, 2018, and 2017, the Company had no cash equivalents.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Accounts Receivable, net

Accounts receivable represent amounts due from customers for merchandise sales and are recorded when product has shipped. An account is considered past due when payment has not been rendered by its due date based upon the terms of the sale. Generally, accounts receivable are due 30 days after the billing date. The Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on a history of collections as well as current credit conditions. Accounts are written off as uncollectible on a case-by-case basis. Accounts receivable were reported net of the allowance for doubtful accounts of approximately $658,000 and $156,000 at December 31, 2018 and 2017, respectively. Accounts receivable are pledged as collateral for the line of credit. See Note 7.

Inventories, net

Inventories consist principally of finished goods that are valued at the lower of cost or net realizable value on a weighted average cost basis. The Company has established an allowance for slow-moving or obsolete inventory based upon assumptions about future demands and market conditions. At December 31, 2018 and 2017, the reserve for obsolescence was approximately $212,000 and $151,000, respectively. Inventory is pledged as collateral for the line of credit. See Note 7.

Deferred Financing Costs

During the years ended December 31, 2018 and 2017, the Company incurred debt issuance costs totaling approximately $92,000 and $64,000, respectively, in connection with the issuance of long-term debt. Costs incurred in obtaining certain debt financing are deferred and amortized over the terms of the related debt instruments using the interest method for term debt and the straight-line method for revolving debt. The debt issuance costs related to the revolving credit note are being presented as an asset on the consolidated balance sheet while the debt issuance costs related to the real estate note are presented net against the long-term debt in the consolidated balance sheets. The amortization of deferred debt issuance costs is included in interest expense and amounted to approximately $19,000 and $2,000 during the years ended December 31, 2018 and 2017, respectively.

The Company accounts for the cost of issuing equity instruments to effect business combinations as a reduction of the otherwise determined fair value of the equity instruments issued. The Company expenses any fees not associated with arranging equity or debt financing as incurred. As of December 31, 2018, the Company has recorded approximately $118,000 of deferred equity issuance costs within other current assets in the accompanying consolidated balance sheets related to a business combination which was completed in January 2019.

Property and Equipment, net

Property and equipment are stated at cost or, if acquired through a business acquisition, fair value at the date of acquisition. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the asset, except for leasehold improvements, which are depreciated over the shorter of the estimated useful lives of the assets or the lease term. Upon the sale or retirement of assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is credited or charged to income. Expenditures for repairs and maintenance are expensed when incurred.

Impairment of Long-Lived Assets

The Company assesses the recoverability of the carrying amount of its property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be assessed when estimated undiscounted future cash flows from the operation and disposition of the asset group are less than the carrying amount of the asset group. Asset groups have identifiable cash flows and are largely independent of other asset groups. Measurement of an impairment loss is based on the excess of the carrying amount of the asset group over its fair value. There were no impairment charges for the years ended December 31, 2018 and 2017. See Note 4.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Intangible Assets, net

Intangible assets consist of domain names, intellectual property, distribution agreements, proprietary technology, trademarks and tradenames, and other rights. Intangible assets with finite lives are amortized over their estimated useful lives on a straight-line basis. The straight-line method of amortization represents the Company's best estimate of the distribution of the economic value of the identifiable intangible assets. Intangible assets are carried at cost less accumulated amortization. The Company assesses the recoverability of finite-lived intangible assets in the same manner as for property and equipment, as described above. There were no impairment charges for the years ended December 31, 2018 and 2017. See Note 5.

Goodwill

In accordance with ASC Topic 350, *Intangibles—Goodwill and Other*, the Company tests goodwill for impairment for each reporting unit on an annual basis, or when events or circumstances indicate the fair value of a reporting unit is below its carrying value.

Goodwill represents the excess of the purchase price over the fair value of the net identifiable assets acquired in business combinations. Goodwill is tested for impairment at least annually in the fourth quarter and between annual tests if there are indicators of impairment that suggest a decline in the fair value of a reporting unit. Judgment is involved in determining if an indicator or change in circumstances relating to impairment has occurred. Such changes may include, among others, a significant decline in expected future cash flows, a significant adverse change in the business climate, and unforeseen competition.

The Company has the option of performing a qualitative assessment of impairment to determine whether any further quantitative testing for impairment is necessary. The option of whether or not to perform a qualitative assessment is made annually and may vary by reporting unit. Factors the Company considers in the qualitative assessment include general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of the Company's reporting units, events or changes affecting the composition or carrying amount of the net assets of the Company's reporting units, and other relevant entity specific events. If the Company determined not to perform the qualitative assessment or if the Company determined, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying value, then the Company performs a quantitative test for that reporting unit. The fair value of each reporting unit is compared to the reporting unit's carrying value, including goodwill. If the fair value of a reporting unit is less than its carrying value, the Company recognizes an impairment equal to the excess carrying value, not to exceed the total amount of goodwill allocated to that reporting unit.

The Company performed a qualitative assessment of the Company's reporting units as the goodwill impairment test date for the year ended December 31, 2018 and determined that none of the reporting units were impaired. No goodwill impairment charges were recognized during the years ended December 31, 2018 and 2017. See Note 5.

Investments in Associated Entities

Investee companies that are not consolidated but over which the Company exercises significant influence, as well as certain qualifying joint venture investments, are accounted for under the equity method of accounting. Whether or not the Company exercises significant influence with respect to an investee depends on an evaluation of several factors including, among others, representation on the investee company's board of directors and ownership level, which is generally a 20% to 50% interest in the voting securities of the investee company. Under the equity method of accounting, an investee company's accounts are not reflected within the Company's consolidated balance sheets and statements of operations; however, the Company's share of the earnings or losses of the investee company is reflected in the caption "Other income, net" in the consolidated statements of operations. The Company's carrying value in an equity method investee company is reflected in the caption "Investments in associated entities" in the Company's consolidated balance sheets. When the Company's carrying value in an equity method investee company

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

is reduced to zero, no further losses are recorded in the Company's consolidated financial statements unless the Company has guaranteed obligations of the investee company or has committed additional funding. When the investee company subsequently reports income, the Company will not record its share of such income until it equals the amount of its share of losses not previously recognized.

The Company's investments that are accounted for on the equity method of accounting consisted of a 33.3% non-controlling interest in NWT Holdings, LLC ("NWT"), a manufacturer of vaporizers, and a 50% interest in two separate joint venture entities. The Company performed an analysis in accordance with ASC Topic 323-10, *Investments – Equity Method and Joint Ventures*, and concluded that these joint ventures should be accounted for under the equity method of accounting. The investment in the two joint venture entities amounted to approximately $75,000 and $0 at December 31, 2018 and 2017, respectively. The operating activity related to the joint ventures was immaterial for the years ended December 31, 2018 and 2017. The investment in NWT amounted to approximately $0 and $916,000 at December 31, 2018 and 2017, respectively. The income (loss) from the equity method investment for the years ended December 31, 2018 and 2017 was approximately ($234,000) and $22,000, respectively. On December 11, 2018, the Company spun off 100% of its interest in the subsidiary which held the Company's investment in NWT through a distribution to the Company's members. See Note 12.

Vendor Deposits

Vendor deposits represent prepayments made to vendors for inventory purchases, which are required by a significant number of the Company's vendors. The Company had approximately $7,917,000 and $2,338,000 in vendor deposits at December 31, 2018 and 2017, respectively.

Deferred Offering Costs

The Company capitalizes certain legal, accounting, and other third-party fees that are directly attributable to a proposed IPO until such offering of securities is consummated. After consummation of the IPO, these costs will be recorded in equity as a reduction from the proceeds of the offering. As of December 31, 2018, the Company has recorded approximately $2,284,000 of deferred offering costs in the accompanying consolidated balance sheets in contemplation of the IPO. Should the IPO no longer be considered probable of being consummated, the deferred offering costs would be expensed immediately as a charge to operating expenses in the consolidated statements of operations. There were no deferred offering costs recorded as of December 31, 2017.

Accrued Royalties

The Company distributes products which are licensed with various artists and music personalities, and accrues royalties associated with the sale of such products. Accrued royalties, which were included within accrued expenses in the consolidated balance sheets, were approximately $25,000 and $300,000 at December 31, 2018 and 2017, respectively. See Note 6.

Foreign Currency Translation

The accompanying consolidated financial statements are presented in United States (U.S.) dollars. The functional currency of one of the Company's wholly-owned, Canada-based, subsidiaries is the Canadian dollar. The assets and liabilities of this subsidiary are translated into U.S. dollars at current exchange rates and revenue and expenses are translated at average exchange rates for the year. Capital accounts are translated at their historical exchange rates when the capital transactions occurred. The foreign currency translation adjustments are included in accumulated other comprehensive loss, a separate component of members' equity in the consolidated balance sheets. Other exchange gains and losses are reported in the consolidated statements of operations. See Note 10.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Shipping and Handling

Shipping and handling costs for merchandise sold are included in cost of sales. Shipping and handling fees charged to customers are included in net sales upon completion of the Company's performance obligations.

Comprehensive (Loss) Income

Comprehensive (loss) income includes net (loss) income as currently reported by the Company, adjusted for other comprehensive items. Other comprehensive items for the Company consist of foreign currency translation gains and losses.

Advertising

Advertising costs are expensed as incurred and are included in general and administrative expenses in the accompanying consolidated statements of operations. Advertising costs totaled approximately $3,783,000 and $2,291,000 for the years ended December 31, 2018 and 2017, respectively.

Warranties

The Company provides no warranty on products sold. Product warranty is provided by the manufacturers.

Income Taxes

The Company is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, taxable income or loss is passed through to and included in the taxable income of the Company's members. Accordingly, the consolidated financial statements do not include a provision for federal income taxes. The Company is liable for various other state and local taxes and is subject to taxes in foreign jurisdictions. Therefore, the provision for income taxes includes only income taxes on income from the Company's Canadian subsidiary and state income tax, if any, in the consolidated financial statements.

Income tax amounts reflected in the accompanying financial statements relate primarily to income generated by the Company's Canadian subsidiary and were based upon an estimated effective income tax rate of approximately 26.5%, resulting in income tax expense of approximately $319,000 and $183,000 for the years ended December 31, 2018 and 2017, respectively, which is included in the consolidated statements of operations.

The Company utilizes a two-step approach for recognizing and measuring uncertain tax positions accounted for in accordance with the asset and liability method. The first step is to evaluate the tax position for recognition by determining whether evidence indicates that it is "more likely than not" that a position will be sustained if examined by a taxing authority. The second step is to measure the tax benefit as the largest amount that is greater than 50% likely of being realized upon settlement with a taxing authority. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company has no uncertain tax positions that qualify for either recognition or disclosure in the accompanying consolidated financial statements.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606,*Revenue from Contracts with Customers* ("ASC 606"). Under ASC 606, the Company recognizes revenue when a customer obtains control of the promised goods or services. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods or services, net of any variable consideration (e.g., rights to return product, sales incentives, others) and any taxes collected from customers and subsequently remitted to governmental authorities. The Company uses a best estimate approach to measure variable consideration which approximates the expected value method. The Company applies the following five-step model in order to determine this amount: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services the Company transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, management reviews the contract to determine which performance obligations must be delivered and which of these performance obligations are distinct. The Company recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

The Company adopted the provisions of this guidance on January 1, 2017 using the modified retrospective approach with a cumulative-effect adjustment to beginning members' equity at January 1, 2017. See Note 3 for additional accounting policy and transition disclosures.

The Company generates revenue primarily from the sale of finished products to customers, whereby each product unit represents a single performance obligation. The performance obligation is satisfied when the customer obtains control of the product, which typically occurs at the time of shipping. Upon shipping, the customer has legal title of the product and bears the significant risks and rewards of ownership, including the right to sell or redirect the product. As such, customer orders are recorded as revenue once the order is shipped from one of the Company's distribution centers. The Company's performance obligations for services are satisfied when the services are rendered within the arranged service period. Total service revenue is not material and accounted for less than 0.5% of revenues for the years ended December 31, 2018 and 2017, respectively.

The Company elected to account for shipping and handling expenses that occur after the customer has obtained control of products as a fulfillment activity in cost of sales. Shipping and handling fees charged to customers are included in net sales upon completion of the Company's performance obligations.

Product revenues are recorded net of estimated rebates or sales incentives as well as estimated product returns as elements of variable consideration. The actual amounts of consideration ultimately received may differ from the Company's estimates. If actual results in the future vary from the Company's estimates, the Company will adjust these estimates, which would affect net revenue from products in the period such variances become known. The Company estimates product returns based on historical experience and records them on a gross basis as a refund liability that reduces the net sales for the period. The Company analyzes actual historical returns, current economic trends and changes in order volume when evaluating the adequacy of the sales returns allowance in any accounting period. The liability for returns is included in accrued expenses on the Company's consolidated balance sheets and was approximately $460,000 and $400,000 at December 31, 2018 and 2017, respectively. This liability was not estimated under legacy U.S. GAAP (ASC 605) but was recorded as an adjustment to retained earnings under ASC 606, as described further in Note 3. Included in other current assets is an asset totaling $285,000 and $300,000 as of December 31, 2018 and 2017, respectively, for the recoverable cost of merchandise estimated to be returned by customers.

The Company has an established a supply chain for premium, patented, child-resistant packaging, closed-system vaporization solutions and custom-branded retail products. For these product offerings, the Company generally receives a deposit from the customer (generally 50% of the total order cost, but the amount can vary by customer contract), when an order is placed by a customer. These orders are typically completed within six weeks to three months from the date of order, depending on the complexity of the customization and the size of the order. Customer deposits, which represent deferred revenue, are included in accrued expenses on the Company's consolidated balance sheets and were approximately $3,071,471 and $721,000 at December 31, 2018 and 2017, respectively. See Note 6.

The Company holds several exclusive distribution agreements with its manufacturers that are evaluated against the criteria outlined in ASC 606-10-55, *Principal versus Agent Considerations*, in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned. In all arrangements, the Company determined that it acts as the principal in the transaction, controlling the good or service before it is transferred to the customer. As such, the Company records gross revenue for such arrangements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

The Company applies the practical expedient provided for by ASC 606 by not adjusting the transaction price for significant financing components for periods less than one year. The Company also applies the practical expedient provided for by ASC 606 based upon which the Company generally expenses sales commissions when incurred because the amortization period is one year or less. These costs are recorded within salaries, benefits and payroll tax expenses in the consolidated statements of operations. Furthermore, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

Recently Issued Accounting Pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued ASU No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*, which changes the measurement principle for entities that do not measure inventory using the last-in, first-out ("LIFO") or retail inventory method from the lower of cost or market to lower of cost and net realizable value. ASU 2015-11 was effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, with early adoption permitted. The Company adopted this standard as of January 1, 2017. There was no significant impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which, among other things, requires lessees to recognize substantially all leases on their balance sheets and disclose key information about leasing arrangements. The new standard establishes a right of use ("ROU") model that requires a lessee to recognize a ROU asset and liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of operations. The new standard is effective for the Company on January 1, 2019. The Company is in the process of evaluating the choice of transition options and the impact that adopting this standard will have on its consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15*, Statement of Cash Flows (Topic 320): Classification of Certain Cash Receipts and Cash Payments*. This ASU addresses the diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows, including debt prepayment or debt extinguishment costs, contingent consideration payments made soon after a business combination, proceeds from the settlements of insurance claims, and proceeds from the settlements of bank-owned life insurance ("BOLI") policies. For public companies, this ASU is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted. The Company adopted this standard as of January 1, 2018. There was no impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. This ASU clarifies the definition of a business when evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. For public companies, this ASU is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is permitted. The Company adopted this standard as of January 1, 2018. There was no impact on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other: Simplifying the Test for Goodwill Impairment (Topic 350)*, which removes step two of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. For public companies, this ASU is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019, but early adoption is permitted for impairment tests after January 1, 2017. The Company has adopted this standard as of January 1, 2017. There was no impact on the Company's consolidated financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

In June 2018, the FASB issued ASU No. 2018-07, *Compensation - Stock Compensation: Improvements to Nonemployee Share Based Payment Accounting.* ASU 2018-07 provides guidance on accounting for equity-based awards issued to nonemployees. The standard is effective for annual and interim periods beginning after December 15, 2018, and early adoption is permitted. The Company does not expect this new standard will have a material impact on its financial condition, results of operations and cash flows.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement, Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820),* which eliminates, adds and modifies certain disclosure requirements for fair value measurements. For example, entities will no longer have to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, but public companies will be required to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements. The guidance is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those years. Entities are permitted to early adopt the entire standard or only the provisions that eliminate or modify the requirements. The Company is currently evaluating the guidance to determine the potential impact on its financial condition, results of operations and cash flows.

NOTE 3. REVENUE RECOGNITION

On January 1, 2017, the Company adopted ASC 606, *Revenue from Contracts with Customers* applying the modified retrospective transition method. The Company applied the practical expedient in paragraph 606-10-65-1(h) of ASC 606 and did not restate the accounting for contracts that were completed as of the date of initial application, i.e., January 1, 2017. Furthermore, the Company applied the practical expedient in paragraph 606-10-65-1(f)(4) of ASC 606 and did not separately evaluate the effects of contract modifications. Instead, the Company reflected the aggregate effect of all the modifications that occurred before the initial application date, i.e., January 1, 2017. Prior to the adoption of ASC 606, revenue was recognized when persuasive evidence of an arrangement existed, shipment had occurred, customers took ownership and assumed the risk of loss, price was fixed and determinable and collectability was reasonably assured. The timing of revenue recognition based on this criteria typically coincided with product delivery. Furthermore, under Topic 605, revenue was recognized net of sales returns, incentives, and allowances.

Upon the initial adoption of ASC 606, the Company recorded an adjustment of $400,000 to record refund liabilities related to the Company's estimate of returns, offset by a $300,000 asset for the right to recover products from customers based on the Company's return policy with its customers. The cumulative impact to retained earnings as of January 1, 2017 was $100,000. The following tables summarize the impacts of this adjustment on the Company's condensed consolidated balance sheet as of January 1, 2017.

NOTE 3. REVENUE RECOGNITION (cont.)

	As previously recorded under ASC 605 December 31, 2016	Adjustments	As revised January 1, 2017
ASSETS			
Current assets			
Other current assets	$ 330,694	$ 300,000	$ 630,694
Total current assets	10,003,631	300,000	10,303,631
Total assets	$ 15,999,866	$ 300,000	$ 16,299,866
LIABILITIES AND MEMBERS' EQUITY			
Current liabilities			
Accrued expenses	$ 1,086,536	$ 400,000	$ 1,486,536
Total current liabilities	6,439,943	400,000	6,839,943
Total liabilities	8,551,227	400,000	8,951,227
Members' equity			
Retained earnings	1,245,538	(100,000)	1,145,538
Total members' equity	7,448,639	(100,000)	7,348,639
Total liabilities and members' equity	$ 15,999,866	$ 300,000	$ 16,299,866

NOTE 4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, at cost less accumulated depreciation:

	As of December 31,		
	2018	2017	Estimated useful life
Furniture, equipment and software	$ 2,094,911	$ 988,584	3 - 7 years
Personal property	1,090,282	—	5 years
Leasehold improvements	341,672	169,506	Lesser of lease term of 5 years
Land improvements	601,370	—	15 years
Building	7,772,987	—	39 years
Land	690,705	—	
	12,591,927	1,158,090	
Less: accumulated depreciation	951,103	560,596	
Property and equipment, net	$ 11,640,824	$ 597,494	

Depreciation expense for the years ended December31, 2018 and 2017 was approximately $391,000 and $150,000, respectively.

Property and equipment include assets recorded under capital lease agreements. The cost of this equipment was approximately $428,000 and $305,000 at December 31, 2018 and 2017, respectively. Depreciation expense for these assets is included in depreciation and amortization expense in the consolidated statements of operations. Accumulated amortization related to equipment currently under capital lease was approximately $84,000 and $149,000 at December 31, 2018 and 2107, respectively.

Property and equipment are pledged as collateral for the Company's line of credit and term loan. See Note 7.

NOTE 5. GOODWILL AND INTANGIBLE ASSETS

At December 31, 2017, the Company had $3,150,121 of goodwill which resulted from business combinations that occurred prior to January 1, 2017. At December 31, 2018, the Company had $5,445,691 of goodwill, which included an additional $2,295,570 in goodwill recognized in relation to a business acquisition as described in Note 14, “Business Acquisition”. The goodwill generated from the business combinations is primarily related to the value placed on the expected business synergies.

The composition of intangible assets subject to amortization at December31, 2018 and 2017, and associated accumulated amortization was as follows:

	As of December 31, 2018			
	Gross carrying amount	Accumulated amortization	Carrying value	Estimated useful life
Domain Names	$ 131,000	$ (59,744)	$ 71,256	15 years
Distribution Agreements	650,000	(397,222)	252,778	5 years
Proprietary Technology	1,040,000	(658,667)	381,333	5 years
Trademarks and Tradenames	2,284,886	(458,638)	1,826,248	5-10 years
Customer Relationships	1,196,000	(199,333)	996,667	5 years
Non-competition Agreements	218,000	(90,833)	127,167	2 years
Other Intangibles	22,003	(15,043)	6,960	5 years
	$ 5,541,889	$ (1,879,480)	$ 3,662,409	

	As of December 31, 2017			
	Gross carrying amount	Accumulated amortization	Carrying value	Estimated useful life
Domain Names	$ 131,000	$ (47,015)	$ 83,985	15 years
Distribution Agreements	1,650,000	(1,180,555)	469,445	5 years
Proprietary Technology	1,040,000	(450,667)	589,333	5 years
Trademarks and Tradenames	520,000	(112,667)	407,333	10 years
Other Intangibles	18,201	(12,413)	5,788	5 years
	$ 3,359,201	$ (1,803,317)	$ 1,555,884	

Amortization expense relating to intangible assets was approximately $1,099,000 and $631,000 for the years ended December 31, 2018, and 2017, respectively.

The Company’s estimate of future amortization expense for intangible assets, based on carrying amounts as of December 31, 2018, was as follows:

For the Year Ending December 31,	
2019	$ 1,189,000
2020	$ 882,000
2021	$ 653,000
2022	$ 653,000
2023	$ 160,000
Thereafter	$ 125,000

Intangible assets are pledged as collateral on the line of credit. See Note 7.

NOTE 6. COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

	As of December 31,	
	2018	2017
Accrued expenses:		
Customer deposits	$ 3,071,471	$ 720,527
Accrued offering costs	1,499,930	—
Refund liability	459,416	400,000
Payroll related including bonus	1,313,695	901,304
Professional fees	731,387	154,919
Accrued taxes, state and income	664,659	173,974
Accrued rent	187,194	—
Accrued marketing fees and royalties	804,370	299,577
Other	1,213,034	687,371
	$ 9,945,156	$ 3,337,672

NOTE 7. LONG TERM DEBT

The Company's long-term debt consisted of the following amounts as of the dates indicated:

	As of December 31,	
	2018	2017
Revolving credit note with a lender for a $15,000,000 credit loan with a maturity date of August 23, 2020. Interest on the principal balance outstanding on the Note is due monthly at a rate of LIBOR plus 3.50% per annum.	$ —	$ —
7.1% note payable to a lender in relation to short term financing of the Company's insurance premiums, due within one year.	—	7,792
3.0% note payable to a lender in relation to a four year vehicle loan for the purchase of a truck used in operations.	24,275	—
10% note payable to a member, interest payable monthly and principal payments deferred indefinitely.	—	460,967
6% unsecured loan payable to a member	—	44,569
Non-interest bearing unsecured loan from a member.	—	36,000
10% unsecured note payable to a member.	—	23,713
Credit note with a lender for the purchase of the Company's corporate headquarters building with a maturity date of October 1, 2025. Interest on the principal balance outstanding on the note is due monthly at a rate of LIBOR plus 2.39% per annum.	8,459,800	—
Convertible notes issued in December 2018.	40,200,000	—
	48,684,075	573,041
Less unamortized debt issuance costs	(139,459)	—
Less current portion of long-term debt	(168,273)	(7,792)
Long-term debt	48,376,343	565,249
Long-term portion of capital lease obligations (Note 8)	236,709	91,063
Total long-term liabilities	$ 48,613,052	$ 656,312

In April 2018, the Company paid down all of its outstanding promissory notes payable to members and affiliates, which totaled $565,249 at December 31, 2017. All amounts of such notes were classified as long-term debt at December 31, 2017. There were no such notes outstanding at December 31, 2018.

Line of Credit

On August 23, 2018, as amended and restated on October 1, 2018, the Company, as the borrower, entered into an amended and restated revolving credit note (the "line of credit") with Fifth Third Bank, for a $15,000,000 revolving credit loan with a maturity date of August 23, 2020. This line of credit amended and restated the

NOTE 7. LONG TERM DEBT (cont.)

original revolving credit note dated October 4, 2017 between Fifth Third Bank and Jacoby & Co. Inc. the managing member of the Company, whereby the Company assumed all obligations of Jacoby & Co. Inc. as the borrower, and Jacoby & Co. Inc. assumed all obligations as a guarantor on the line of credit, as further discussed in Note 7. Interest on the principal balance outstanding on the line of credit is due monthly at a rate of LIBOR plus 3.50% per annum provided that no default has occurred. The Company's obligations under the line of credit are guaranteed by the Jacoby & Co. Inc. all of the Company's operating subsidiaries, and personally by each of the Company's Chief Executive Officer and Chief Strategy Officer, and are collateralized by the Company's accounts receivable, inventory, property and equipment, deposit accounts, intangibles and other assets, and an assignment of member life insurance policies. The line of credit borrowing base is 80% of eligible accounts receivable plus 50% of eligible inventory. The line of credit covenants require a fixed charge coverage ratio of no less than 1.25, to be calculated on a quarterly basis on the last day of each calendar quarter. The Company incurred additional interest expense of $2.6 million in conjunction with the issuance of the convertible notes (discussed further below), which resulted in the Company not being in compliance with its covenants as of December 31, 2018. On March 4, 2019, the credit agreement was amended to modify the covenant calculation to exclude such material nonrecurring expenses, based upon which the lender deemed that the Company was in compliance with its debt covenants as of December 31, 2018. The Company was in compliance with its covenants as of December 31, 2017. The line of credit payable as of December31, 2018 and 2017 was approximately $0 and $611,000, respectively. This line of credit was included in the caption Due to Parent on the Company's balance sheet at December 31, 2017. Under the terms of the original revolving credit note, dated October 4, 2017, all draws under the line of credit were advanced by Jacoby & Co. Inc. to one of the Company's wholly-owned subsidiaries, which subsidiary in turn remitted all payments required under the line of credit to the third-party lender on behalf of Jacoby & Co. Inc.

Real Estate Note

On October 1, 2018, one of the Company's wholly-owned subsidiaries closed on the purchase of a building for $10,000,000, which serves as the Company's corporate headquarters. The purchase was financed through a real estate term note (the "Real Estate Note") in the principal amount of $8,500,000, with one of the Company's wholly-owned subsidiaries as the borrower and Fifth Third Bank as the lender. Principal amounts plus any accrued interest at a rate of LIBOR plus 2.39% are due monthly. The Company's obligations under the Real Estate Note are secured by a mortgage on the property. At closing of the building purchase, the Company paid cash of approximately $912,000, which represented the excess of the purchase price, less purchase credits, over the loan amount.

The following is a schedule of approximate maturities of long-term debt, excluding the convertible notes discussed below, subsequent to December 31, 2018:

Year ending December	
2019	168,000
2020	177,000
2021	188,000
2022	197,000
2023	203,000
Thereafter	7,551,000
	$ 8,484,000

Convertible Notes

On December 21, 2018, the Company issued an aggregate of $40.2 million in convertible promissory notes (the "convertible notes"). Approximately $15.1 million of the proceeds received from the issuance of the convertible notes was used to redeem equity interests of existing members of the Company, and the balance of such net proceeds has been or will be used for general corporate purposes. The convertible notes do not accrue interest; provided, however, in the event of a Subsequent Financing Conversion (as defined) or Maturity Date Conversion (as defined), the convertible notes shall have accrued interest from the date of issuance at a rate of 8% per annum simple interest, included as part of the Subsequent Financing Conversion or Maturity Date Conversion, as applicable.

NOTE 7. LONG TERM DEBT (cont.)

The conversion terms of the convertible notes are described below.

In the event the Company consummates an IPO, the convertible notes shall automatically convert into the same security offered by the Company in such IPO, at a discount of either (i) 20% of the price per share of such equity security issued in an IPO that occurs within eighteen (18) months after the date of issuance of the convertible notes; or (ii) 25% of the price per share of such equity security issued in an IPO that occurs after eighteen (18) months but prior to any mandatory conversion provided by the terms of the convertible notes.

Based on the terms of the convertible notes, if an IPO or Liquidity Event (as defined) does not occur within 18 months of the date of issuance of the convertible notes, (i) the Company shall restructure utilizing an Umbrella Partnership-C-Corporation Structure ("Up-C structure") with Parent (as defined), and (ii) the convertible notes plus all accrued interest shall automatically convert into shares of Series A Preferred Stock of Parent. "Liquidity Event" or "Liquidation Event" means a Stock Sale, Dissolution Event or Deemed Liquidation Event (each as defined).

The Majority Holders (as defined) may elect to extend the initial 18-month maturity date for an additional 18-month period. In the event the Majority Holders deliver to the Company a notice of their election to extend such 18-month maturity date for an additional 18-month period, the Company shall not be required to effect the C-Corp Restructuring and the convertible notes and accrued interest thereon shall not automatically convert into shares of preferred stock, in each case until the expiration of such extended maturity date. Such rights, privileges, preferences and restrictions shall be not be amended, modified or waived while the convertible notes are outstanding without the written consent of the Majority Holders (as defined).

Additionally, in the event the Company consummates a private placement (a "Subsequent Financing") of shares of its or Parent's capital stock (the "Financing Securities") or a convertible debt financing at any time while the convertible notes are outstanding, in each case excluding any Exempt Issuances (as defined), at the election of each holder of convertible notes in such holder's sole discretion, such holders' convertible notes plus all accrued interest thereon shall convert (a "Subsequent Financing Conversion") into (a) if such Subsequent Financing is an equity financing, shares of Financing Securities at a conversion price equal to the lesser of (i) the per share purchase price of the Financing Securities sold in the Subsequent Financing, and (ii) a price based upon the Valuation Cap, as defined, and (b) if such Subsequent Financing is a convertible debt financing, the convertible promissory note issued to the investors in such financing on the same terms and conditions.

In the event of a Liquidity Event prior to the conversion of the convertible notes, then holders of convertible notes shall receive 1.2 times the then-outstanding principal amount outstanding on the convertible notes.

Total debt issuance costs of approximately $2.6 million, incurred in connection with the convertible debt, were expensed and recognized as interest expense in the consolidated statements of operations for the year ended December 31, 2018.

Convertible Notes Fair Value

On issuance, the Company elected to account for the convertible notes at fair value with any changes in the fair value recognized through the statements of operations until the convertible notes settle. On issuance, the fair value of the convertible notes was determined to be equal to $40.2 million, which is the principal amount of the convertible notes.

The Company determined the fair value of the convertible notes as of December 31, 2018 by determining the present value of the convertible notes if they were to settle either in shares of common stock upon the closing of an IPO or in shares of preferred stock three years after issuance. The fair value of the convertible notes as of December 31, 2018 remained unchanged from the fair value on issuance. Key valuation assumptions were as follows:

	As of December 31, 2018	
	IPO Scenarios	**Class A Preferred Stock Scenario**
Expected term (years)	0.8 - 2.3	3
Yield to maturity[1]	8.4% - 17.0%	7.4%
Weighting	95%	5%

[1] Based on the note purchase agreement, a 180-day restriction period following the date of the Company's IPO prohibits the stockholders from liquidating their interest within this time period. Therefore, to calculate the yield to maturity that is adjusted for the restriction period, a discount of 10.0% to the consideration received at conversion was applied to account for the lack of marketability over the restriction period.

NOTE 8. LEASES

Operating Leases

The Company leases distribution centers in Florida, California, British Columbia, Canada, and Ontario, Canada, a retail location in Chelsea Market, New York City and administrative offices in Boca Raton, Florida, Torrance, California, and Ontario, Canada from unrelated parties. Rent expense under the Company's operating leases amounted to approximately $1,180,000 and $422,000 for the years ended December 31, 2018 and 2017, respectively.

In August 2018, the Company relocated its repairs and returns facility from Seattle, Washington to its existing distribution center in Torrance, California. The Torrance, California lease was assumed as part of the Better Life Holdings acquisition. See Note 14.

In July 2018, one of the Company's wholly-owned subsidiaries entered into a lease agreement, effective October 1, 2018, to lease a 5,157 square foot corporate office and distribution center. This facility replaced the existing facility, also located in Mississauga, Ontario. The move to the new location was completed in October 2018.

Effective July 31, 2018, one of the Company's wholly-owned subsidiaries entered into a lease agreement, effective October 1, 2018, to lease a 1,108 square foot corporate office in Toronto, Ontario. Certain administrative and sales personnel moved into this new office facility in October 2018.

Effective August 1, 2018, one of the Company's wholly-owned subsidiaries entered into a five-year agreement to lease a 8,990 square foot distribution center in Delta, British Columbia. This new distribution center commenced operations in September 2018.

In October 2018, the Company purchased a building in Boca Raton, FL, with the intention of moving its corporate headquarters and administrative offices from a building that it rented. This move began in October 2018 and was completed in early 2019.

Approximate future minimum lease payments under non-cancelable lease terms in excess of one year with unrelated parties are as follows:

Year Ending December 31,	
2019	$ 853,000
2020	808,000
2021	678,000
2022	395,000
2023	327,000
	$ 3,061,000

Capital Leases

The asset and liability balances under capital leases have been recorded at the present value of the minimum lease payments.

	As of December 31,	
	2018	**2017**
Equipment under capital lease included in property and equipment (Note 4)	$ 331,376	$ 154,218
Less: current portion	(94,667)	(63,155)
Long term capital lease obligation	$ 236,709	$ 91,063

NOTE 8. LEASES (cont.)

Approximate minimum future lease payments and present values of the minimum lease payments are as follows:

Year ending December 31,		
2019	$	115,000
2020		112,000
2021		100,000
2022		39,000
2023		7,000
Total minimum lease payments		373,000
Less imputed interest		42,000
Present value of minimum lease payments	$	331,000

NOTE 9. RELATED PARTY TRANSACTIONS

One of the Company's wholly-owned subsidiaries expensed approximately $61,000 and $81,000 in the years ended December 31, 2018 and 2017, respectively, for use of a boat, owned by a related entity, for the Company's marketing and business entertainment. The related entity is owned jointly by certain Company members who are also officers of the Company.

One of the Company's wholly-owned subsidiaries purchased approximately $1,717,000 and $3,133,000 of merchandise inventory from NWT in the years ended December 31, 2018 and 2017, respectively. The Company's wholly-owned subsidiary sold approximately $1,195,000 and $1,919,000 in merchandise and services to NWT in the years ended December 31, 2018 and 2017, respectively. As a result of business operations, the Company had both amounts receivable from NWT and amounts payable to NWT, and such amounts were offset in either accounts receivable or accounts payable. As of December 31, 2018, and 2017, the Company had net accounts receivable of approximately $337,000 and $116,000, respectively, which represented the total amounts due from NWT offset by the total amounts payable to NWT, which are included in "Accounts receivable, net" in the accompanying consolidated balance sheet. The Company held a 33.3% interest in NWT through one of its wholly-owned subsidiaries. On December 11, 2018, the Company spun off 100% of its interest in the subsidiary that held the Company's investment in NWT through a distribution to the Company's members. See Note 12.

At December 31, 2018 and 2017, the Company had notes payable to two of its members of approximately $0 and $565,000, respectively. In April 2018, the Company paid down all of its outstanding promissory notes payable to members and affiliates, which totaled approximately $565,000. See Note 7. Interest of approximately $15,000 and $63,000 was paid for the years ended December 31, 2018 and 2017, respectively, to the members in relation to these notes payable.

On August 23, 2018, the Company, as the borrower, entered into an amended and restated revolving credit note (the "line of credit") with Fifth Third Bank, for a $15,000,000 revolving credit loan with a maturity date of August 23, 2020. This line of credit amended and restated the original revolving credit note dated October 4, 2017, between Fifth Third Bank and Jacoby & Co. Inc. the managing member of the Company, whereby the Company assumed all obligations of Jacoby & Co. Inc. as the borrower, and Jacoby & Co. Inc. assumed all obligations as a guarantor on the line of credit. See Note 7.

The Company purchased computer equipment for approximately $116,000 and $9,000 for the years ended December 31, 2018 and 2017, respectively, from a vendor related to one of the Company's members who is also an officer of the Company.

The Company pays vehicle insurance to an independent insurance agent on behalf one of its members, who is also an officer of the Company. This amount was approximately $5,900 and $5,700 for the years ended December 31, 2018 and 2017, respectively.

NOTE 10. CONCENTRATION OF CREDIT RISK AND FOREIGN EXCHANGE RISK

The Company places its cash with high credit quality financial institutions which provide Federal Deposit Insurance Corporation (FDIC) insurance. Accounts are guaranteed by the FDIC up to $250,000 per institution. At times during the years ended December 31, 2018 and 2017, the balances in the Company's accounts may have exceeded federal insured limits. The Company performs periodic evaluations of the relative credit standing of these institutions and does not expect any losses related to such concentrations. At December 31, 2018 and 2017, approximately $204,000 and $192,000, respectively, of the Company's cash balances were in foreign bank accounts and uninsured.

Currency adjustment expense, which is included in general and administrative expense in the accompanying consolidated statements of operations for the years ended December 31, 2018 and 2017 was approximately $51,000 and $9,200, respectively. This expense related to the conversion of transactions of one of the Company's wholly-owned subsidiaries denominated in the functional currency of Canadian dollars into U.S. dollars.

Customer Concentration

Two customers represented approximately 7.8% and 5.4% of the Company's accounts receivable as of December 31, 2018. At December 31, 2017, one customer represented approximately 19.1% of the Company's accounts receivable. No individual customer or groups of affiliated customers represented more than 5% of the Company's sales for the years ended December 31, 2018 and 2017, respectively.

Supplier Concentration

The Company has two major vendors that accounted for an aggregate of approximately 52.1% of net sales and $81.4 million in purchases from these vendors for the year ended December31, 2018, and an aggregate of approximately 40.7% net sales and $35.7 million in purchases from these same vendors for the year ended December 31, 2017. The Company expects to maintain its relationships with these vendors.

NOTE 11. COMMITMENTS AND CONTINGENCIES

In the ordinary course of its business, the Company is involved in various legal proceedings involving a variety of matters. The Company does not believe there are any pending legal proceedings that will have a material adverse effect on the Company's business, consolidated financial position, results of operations, or cash flows. However, the outcome of such legal matters is inherently unpredictable and subject to significant uncertainties. The Company expenses legal fees in the period in which they are incurred, except those related to the IPO. See Note 2 for discussion of deferred offering costs. See Note 8 for discussion of lease commitments.

NOTE 12. MEMBERS' (DEFICIT) EQUITY

Effective February 20, 2018, the Company amended its limited liability company operating agreement (the "LLC Agreement") and reclassified all Common membership units to Class A units, and created redeemable Class B membership units in conjunction with the Company's acquisition of a 100% interest in Better Life Holdings LLC ("BLH"), which is discussed further in Note 14. As a result of the issuance of a second class of membership units, the beginning balance of retained earnings as of January 1, 2018 has been reclassified to the Class A units capital account and net loss and other distributions occurring in 2018 have been allocated to the Class A and redeemable Class B units capital accounts. The Class A units have voting rights and participate in the residual equity of the Company pro-rata with the redeemable Class B units, which have no voting rights and are discussed further in Note 13.

On December 11, 2018, the Company executed a distribution of one hundred percent (100%) of the membership interests in one of its wholly-owned subsidiaries to the members of the Company, pro rata in accordance with each such member's percentage interest. The carrying value of the subsidiary that was spun off was comprised largely of its investment in NWT, which was accounted for using the equity method of accounting, as described further in Note 2. The Company accounted for the transaction as distribution to members by means of a spin-off based on the guidance provided by *ASC 505-60, Spin-offs and Reverse Spin-offs.*

NOTE 12. MEMBERS' (DEFICIT) EQUITY (cont.)

Effective December 19, 2018, the Company executed Amendment No. 1 to the LLC Agreement. Each member's percentage interest in the Company is outlined in an appendix to the LLC Agreement, which was as follows at December 31, 2018:

Member	Class of Units	Percentage Interest
Jacoby & Co. Inc.	Class A units	73.29%
Adam Schoenfeld	Class A units	12.92%
Better Life Products Investment Group, Inc.	Class B redeemable units	7.90%
Rochester Vapor Group, LLC	Class B redeemable units	2.10%
Executive Management Team	Class B redeemable units	3.79%
		100.00%

The LLC Agreement does not provide a number of authorized membership units.

Pursuant to the Stock Redemption Settlement Agreement executed in December 21, 2018, the Company used a portion of the net proceeds received from the sale of the convertible notes, which are discussed further in Note 7, to redeem membership units from the Company's members, substantially on a pro rata basis to the members' ownership interest percentage in the Company; that is, the amount disbursed to Class A and redeemable Class B unit holders was determined by multiplying the total ownership interest percentage of each member by the total amount disbursed. On December 24, 2018, an aggregate of $15,075,000 was disbursed, of which $12,995,990 was disbursed to Class A unit holders and $2,079,010 was disbursed to redeemable Class B unit holders. The redemption will effectively be settled on the date of a C-Corp Restructuring (as defined) in connection with an Initial Public Offering (the "IPO Delivery Date"). In consideration for such portion of the redemption amount paid to each member, each member will deliver to the Company a number of Common Units (as defined) equal to the amount of the redemption amount paid to such member, divided by the price per share at which the common stock of Parent (as defined) is sold in the IPO; the price per share in such IPO. No further payments are due to the members upon such settlement.

NOTE 13. REDEEMABLE CLASS B UNITS

Effective February 20, 2018, the Company acquired a 100% interest in BLH in exchange for an aggregate ten percent (10.0%) equity interest in the Company. As consideration for the transaction, the Company issued its Class B units, which are contingently redeemable by the holder. Furthermore, in December 2018, the Company converted certain outstanding profits interests to Class B units. See Note 15.

The redeemable Class B units are non-voting and contain a put right whereby, at any time after February 20, 2021 (in each case prior to an effective IPO or Capital Event) each of the holders of redeemable Class B units has the right to require that the Company purchase all, but not less than all, of its redeemable Class B units at an aggregate price equal to the fair market value of the redeemable Class B units as of the date of the put notice (as defined), in the form of a cash payment. The redeemable Class B units do not contain any mandatory redemption provisions.

The Company classifies the redeemable Class B units outside of members' equity as the units contain contingent redemption features that are not solely within the Company's control. The initial carrying value of the amount classified in temporary equity for the redeemable Class B units, which were not issued in conjunction with any other freestanding instruments, was based on the issuance date fair value of the redeemable Class B units for those Class B units issued in conjunction with the BLH acquisition. The carrying value of the redeemable Class B units granted as equity-based compensation is based on the compensation cost recognized for the year ended December 31, 2018.

As of December 31, 2018, the Company determined that the redeemable Class B units are not probable of becoming redeemable as management believes an IPO event is probable to occur before the third anniversary of the LLC agreement, and as such, the carrying value of the redeemable Class B units was not adjusted.

NOTE 14. BUSINESS ACQUISITION

Effective February 20, 2018, the Company acquired a 100% interest in BLH in exchange for an aggregate ten percent (10.0%) equity interest in the Company. As consideration for the transaction, the Company issued the redeemable Class B units, which are contingently redeemable by the holder. BLH has been consolidated in the Company's 2018 consolidated financial statements from the February 20, 2018 date of acquisition. The BLH acquisition was accounted for as a business combination under the acquisition method under ASC Topic 805, *Business Combinations.* The Company has performed a valuation analysis of the fair market value of BLH's assets and liabilities. The Company utilized a third-party valuation specialist to determine the fair value of consideration paid and assets acquired, and liabilities assumed. The following table summarizes the purchase price allocation as of the acquisition date:

Better Life Holdings, LLC	
Cash	$ 785,000
Accounts receivable	123,000
Inventory, net	2,977,000
Non-competition agreements	218,000
Tradename	1,762,000
Customer relationships	1,196,000
Goodwill	2,296,000
Other assets	703,000
Accounts payable and other liabilities	(1,170,000)
Total purchase price	$ 8,890,000

There were no adjustments made to the purchase price allocation of the BLH acquisition at December 31, 2018.

The following represents the pro forma consolidated operations for the years ended December 31, 2018 and 2017 as if BLH had been acquired on January 1, 2017 and its results had been included in the consolidated results of the Company beginning on that date:

	Years ended December 31,	
	2018	**2017**
Net sales	$ 181,003,121	$ 104,588,530
Net (loss) income	$ (5,751,868)	$ 1,287,212

The pro forma amounts have been calculated after applying the Company's accounting policies to the financial statements of BLH and adjusting the combined results of the Company and BLH (a) to remove Greenlane Holdings, LLC merchandise sales to BLH and to remove the cost incurred by Better Life Holdings, LLC related to products purchased from Greenlane Holdings, LLC, (b) to reflect the increased amortization expense that would have been charged assuming intangible assets identified in the acquisition of Better Life Holdings, LLC had been recorded on January 1, 2017, and (c) to exclude direct, incremental transaction costs, which reflected in our consolidated results of operations for the year ended December 31, 2018.

The impact of the BLH acquisition on the actual results reported by the combined company in periods following the acquisition may differ significantly from that reflected in this pro forma information for a number of reasons. As a result, the pro forma information is not necessarily indicative of what the combined company's financial condition or results of operations would have been had the acquisition been completed on the applicable dates of this pro forma financial information. In addition, the pro forma financial information does not purport to project the future financial condition and results of operations of the combined company.

NOTE 15. EQUITY-BASED COMPENSATION

Profits Interests

In January 2017, the Company entered into a profits interest award agreement with one of the Company's executives, which represented a 2% non-voting interest in the Company when fully vested. In 2016, the Company entered into profits interest award agreements with two of the Company's executives, which, in the aggregate, represented a 3% non-voting interest in the Company when fully vested. All three of the profits interest agreements vested over a four-year period. Any unvested portion of the profits interest would have vested upon the consummation of a capital event that was also a change in control (as defined) of the Company. The agreements specified that the award entitles the grantee to only participate in certain net profits and net proceeds in excess of a threshold amount (as defined) from a capital event that was also a change in control of the Company, allocated and distributed to the profits interest from and after the grant date, and does not entitle the grantee to any other profits of the Company, and as such was intended to constitute a profits interest under the Company's LLC Agreement. The Company determined that these awards represent equity instruments and such awards were accounted for under ASC Topic 718, *Stock Compensation*. The profits interest award provisions included both a service condition (explicit requisite service period) and a performance condition (i.e., change in control). Vesting of the profits interest awards was based on satisfying either the service or the performance condition. As a result, the initial requisite service period was the shorter of the explicit service period for the service condition or the explicit or implicit service period for the performance condition. Under ASC Topic 718, the total fair value of the profits interest awards is measured at grant date and compensation cost is recognized over the service vesting period or accelerated if a change of control occurred prior to the completion of service vesting. The grant date fair value of awards made in 2017 and 2016 was de minimis.

Furthermore, on December 20, 2018, the Company entered into profits interest award agreements with certain employees who were previously awarded phantom equity units, which are described further below. Upon execution, the profits interest award agreement effectively cancelled 850,000 phantom equity units. The first 20% of the new profits interest vested on January 1, 2019, and the remainder will vest over a four-year period on the anniversary of that date. The new profits interest units have substantially the same terms as the profits interests granted in 2017 and 2016. The fair value of the new profits interests granted was de minimis on the modification date. As a result, no compensation expense was recognized during the years ended December 31, 2018 and 2017 relating to profits interest units.

Redeemable Class B Units

On December 17, 2018, the Company converted the profits interests outstanding at for the three executives as of that date to redeemable Class B units. The conversion was accounted for as a modification under ASC Topic 718, *Stock Compensation*. The Company determined that a portion of redeemable Class B units granted as equity-based compensation met the criteria for liability classification under ASC 718. One-half of each holder's award was deemed vested on the modification date, whereas the other half contained a service condition spanning from two to three years. For the vested portion of the awards, the Company accounted for the modification, and measured the incremental fair value of the modified award, on the modification date. For the equity-classified unvested portion of the awards, the Company measured the compensation cost on the modification date and the estimated fair value of such portion will be recognized over the requisite service period required by each award agreement. For the liability-classified portion of the awards, the Company will remeasure the fair value of the awards each reporting period until the awards are settled, and true up compensation cost each reporting period for changes in fair value pro-rated for the portion of the requisite service period rendered.

During the year ended December 31, 2018, the Company recorded compensation expense of approximately $4.1 million resulting from the conversion of profits interests to redeemable Class B units in December 2018, which is included in salaries, benefits and payroll taxes in the consolidated statement of operations. As of December 31, 2018, the Company recorded an equity-based compensation liability of approximately $21,000 within accrued expenses in the accompanying consolidated balance sheet. As of December 31, 2018, the Company has approximately $2.0 million of unrecognized compensation costs related to the redeemable Class B units granted as equity-based compensation. See Note 13.

In order to determine the fair value of our redeemable Class B units which were granted as equity-based compensation, the Company used the income approach, relying specifically on the discounted cash flow (DCF) method. The total equity value of the Company was then allocated among its equity classes in order to derive the fair value of the redeemable Class B units. After the total equity value was allocated to the equity classes, a discount for lack of marketability was applied to the redeemable Class B units because the Company was valuing a minority interest in the Company as a closely held, non-public company with no liquid market for its redeemable Class B units.

NOTE 15. EQUITY-BASED COMPENSATION (cont.)

Phantom Equity Units

As part of an incentive package awarded during 2017 and 2018 to certain key employees, the Company has granted these individuals the opportunity to participate in the phantom equity program of one of the Company's wholly-owned subsidiaries.

Under these agreements, each participant was guaranteed a "Phantom Equity Payment" in respect to an agreed upon number of bonus units. The number of units varied for each recipient, as set forth in each recipient's individual agreement. Under the phantom equity program, there were 3,000,000 units authorized (representing 3% of the Company's wholly-owned subsidiary), with 150,000 and 950,000 units granted under this plan as of December 31, 2018 and 2017, respectfully. The bonus units contain a stated service condition as well as a performance condition whereby the units cannot be settled unless a change in control event occurs under specified terms. The Company determined that the bonus units represent equity-based compensation awards that are accounted for as liability awards under ASC Topic 718, *Stock Compensation*. Recognition of compensation cost is deferred until the consummation of a Sale Event (as defined in the agreements), and as such, no associated compensation expense was recognized during the years ended December 31, 2018 and 2017, respectively. Because liability-classified awards must be remeasured each period, the compensation cost to be recognized upon a change in control event will be equal to the then fair value of the phantom equity awards.

NOTE 16. EMPLOYEE BENEFIT PLAN

The Company has a 401(k) retirement savings plan. Eligible employees must be at least 18 years of age and have completed six months of service. Participants are eligible to receive a Company-matching contribution up to the first 3% of compensation plus 50% of participant contributions between 3% and 5% of compensation. Matching contributions, other than safe harbor contributions, vest 33% per year and are 100% vested after three years of service. Safe harbor matching contributions are 100% vested as of the date of the contribution. The Company safe harbor matching contributions to the plan totaled approximately $230,000 and $139,000 for the years ended December 31, 2018 and 2017, respectively.

NOTE 17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 19, 2019, which is the date the financial statements were available to be issued.

On January 4, 2019, the Company issued additional convertible notes in the amount of approximately $8.05 million. Approximately $3.0 million of the proceeds received from the issuance of the convertible notes was used to repurchase equity interests of existing members and other equity holders of the Company, and the balance of such net proceeds has been or will be used for general corporate purposes. The terms of these convertible notes are identical to those of the convertible notes described in Note 7.

Effective January 14, 2019, the Company acquired a 100% interest of Pollen Gear Holdings, LLC ("Pollen Gear") in exchange for an aggregate four percent (4.0%) equity interest in the Company. As consideration for the transaction, the Company issued its redeemable Class B units. Pollen Gear will be consolidated in the Company's 2019 consolidated financial statements from the January 14, 2019 date of acquisition. The acquisition was accounted for as a business combination under the acquisition method under ASC 805, *Business Combinations*. The Company is currently in the process of determining its purchase price allocation accounting for the Pollen Gear acquisition.

On January 14, 2019, the Company entered into profits interest award agreements with certain employees who were previously awarded phantom stock awards. Upon execution, the profits interest award agreements effectively cancelled all remaining outstanding phantom stock awards.

In January 2019, the Company signed a lease agreement for a commercial retail space in Atlanta, GA. The Company expects to commence retail operations at that location during 2019.

In February 2019, the Company established a subsidiary in the Netherlands.

In February 2019, the Company entered into profits awards agreements with certain employees. As of the grant date, the profits interests were completely unvested. The profits interests include graded vesting terms, over a period of approximately five years.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of Better Life Holdings, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Better Life Holdings, LLC (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2017, the related statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Better Life Holdings, LLC as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As described in Note 10 to the accompanying financial statements, in February of 2018 the Company was purchased in exchange for an equity interest in the acquiring entity. The transaction was accounted for as a business combination and the financial position and results of operations of the Company subsequent to the transaction date will be reported as part of the acquiring entity's consolidated financial statements.

SQUAR MILNER LLP

/s/ Squar Milner LLP

San Diego, California
June 1, 2018

BETTER LIFE HOLDINGS, LLC
BALANCE SHEET
December 31, 2017

ASSETS		
Current Assets		
Cash	$	948,686
Accounts receivable		104,520
Due from related party		71,556
Inventories, net		3,259,954
Prepaid expenses		6,851
Total current assets		4,391,567
Property and equipment, net		292,285
Goodwill		33,333
Other assets		34,635
Total assets	$	4,751,820
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$	1,337,548
Capital lease liability		1,876
Notes payable – current portion		5,894
Total current liabilities		1,345,318
Note payable, net of current portion		24,278
Total liabilities		1,369,596
Members' Equity		3,382,224
Total liabilities and members' equity	$	4,751,820

The accompanying notes are an integral part of these financial statements.

BETTER LIFE HOLDINGS, LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2017

SALES – net	$ 17,213,584
COST OF SALES	13,031,972
GROSS PROFIT	4,181,612
OPERATING EXPENSES	
Selling, general and administrative	4,254,734
Advertising	274,392
Depreciation	18,019
Total operating expenses	4,547,145
OPERATING LOSS	(365,533)
OTHER INCOME (EXPENSE)	
Other income	10,103
Interest expense, net	(2,815)
OTHER INCOME, NET	7,288
NET LOSS	$ (358,245)

The accompanying notes are an integral part of these financial statements.

BETTER LIFE HOLDINGS, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2017

	Class A		Class B		
	Units	**Amount**	**Units**	**Amount**	**Total**
Balance – January 1, 2017	12,000,000	$1,046,385	2,317,212	$2,156,873	$ 3,203,258
Issuance of Class B units	—	—	868,955	825,000	825,000
Member distributions	—	(240,000)	—	(47,789)	(287,789)
Net loss	—	(298,830)	—	(59,415)	(358,245)
Balance – December 31, 2017	12,000,000	$ 507,555	3,186,167	$2,874,669	$ 3,382,224

The accompanying notes are an integral part of these financial statements.

BETTER LIFE HOLDINGS, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (358,245)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	18,019
Bad debt expense	12,638
Inventory reserve	97,225
Changes in operating assets and liabilities:	
Accounts receivable	34,308
Due from related party	50,053
Inventories	(161,105)
Prepaid expenses	84,339
Other noncurrent assets	4,700
Accounts payable and accrued expenses	305,259
Net cash provided by operating activities	87,191
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(119,045)
Net cash used in investing activities	(119,045)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from sale of Class B units	825,000
Member distributions	(287,789)
Proceeds from note payable	30,172
Payments on capital leases	(53,096)
Net cash provided by financing activities	514,287
INCREASE IN CASH	482,433
CASH – beginning of year	466,253
CASH – end of year	$ 948,686
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION	
Interest paid	$ 474

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS

Description of Organization

Better Life Products, Inc. ("BLP") was incorporated in California in 2007 as a Subchapter S. Corporation. Better Life Holdings, LLC (the "Company" or "BLH") was established on April 4, 2016 as a limited liability company in the State of Delaware.

On May 16, 2016, BLP entered into a series of legal agreements (the "Transaction") which resulted in all its assets and liabilities other than the shareholder advances being contributed into the Company. The Company continues BLP's business as a wholesale distributor and online retailer of vaporizers and accessories, operating under the name of VaporNation. The Company's principal business location is in Southern California.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue from product sales when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, title has transferred, the selling price is fixed or determinable, and collectability is reasonably assured.

Product sales and shipping revenues, net of promotional discounts, are recorded when the products are shipped, title passes to customers and collection is reasonably assured. Retail sales to customers are made pursuant to a sales invoice that provides for transfer of both title and risk of loss upon the Company's delivery to the shipping carrier. Revenue from product sales are recorded net of sales and consumption taxes.

The Company periodically provides incentive offers to its customers to encourage purchases. Such offers may include discounts, such as percentage discounts off current purchases. Current discount offers, when accepted by the Company's customers, are treated as a reduction to the purchase price of the related transaction and the Company reports sales net of discounts on its statements of operations.

Shipping and Handling Costs

Shipping and handling costs incurred are included in cost of sales and totaled $965,889 for the year ended December 31, 2017.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of December 31, 2017, there were no cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Based on management's assessment, the Company provides for estimated uncollectable amounts through a charge to earnings and a credit to a valuation allowance. Management has determined that no allowance was required at December 31, 2017.

Inventories

Inventories are stated at the lower of cost (determined by the first-in, first-out method) or net realizable value. The Company provides reserves for excess and obsolete inventories determined primarily based upon inventory on hand, historical sales activity, industry trends and expected net realizable value. As of December 31, 2017, the Company's inventory reserve was $97,225. The Company's inventories consist primarily of merchandise available for resale at its primary location and inventories that have been prepaid and are in transit to the Company's primary location.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and impairment. Depreciation is calculated using the double declining balance method over the estimated useful lives of the assets. Expenditures for repairs and maintenance are charged to expense as incurred. Upon disposition of property and equipment, the costs and related accumulated depreciation amounts are relieved and any resulting gain or loss is reflected in operations during the period of disposition.

Long-lived assets are reviewed for impairment when changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Goodwill

The Company evaluates goodwill for impairment annually, as well as whenever events or changes in circumstances suggest that the carrying value of goodwill may not be recoverable. The Company tests goodwill for impairment at the reporting unit level, which is consistent with the operating segment, on an annual basis as of December 31 for each year or more frequently if indicators of impairment exist. The Company did not record an impairment charge for the year ended December 31, 2017.

Advertising

The Company expenses advertising cost as incurred. Advertising expenses amounted to $274,392 during the year ended December 31, 2017.

Income Taxes

No provision for income taxes has been made in the financial statements as the Company is a "pass through" entity. Each member is individually liable for tax on their share of the Company's income or loss. The Company prepares a calendar year informational tax return.

Lease Accounting

The Company evaluates leases for classification as either a capital lease or an operating lease. If substantially all of the benefits and risks of ownership have been transferred to the Company as lessee, the Company records the lease as a capital lease at its inception. The Company performs this evaluation at the inception of the lease and when a modification is made to a lease. If the lease agreement calls for a scheduled rent increase during the lease term,

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

the Company recognizes the lease expense on a straight-line basis over the lease term. The Company determines the straight-line rent impact of an operating lease upon inception of the lease.

Assets Held under Capital Leases

Assets held under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Depreciation expense is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease. When the Company enters into a lease agreement, it reviews the terms to determine the appropriate classification of the lease as a capital lease or operating lease based on the factors listed in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, Leases.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers.* The new guidance establishes a single comprehensive model for entities to use in accounting for revenue and supersedes most current revenue recognition guidance. This guidance introduces a five-step process for revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards under current guidance and requires significantly expanded disclosures. Based on the effective date, the Company expects to adopt the new guidance in the first quarter of fiscal year 2019. The Company has not completed its evaluation of the potential impact of adopting the new guidance on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The new guidance was issued to increase transparency and comparability among companies by requiring most leases to be included on the balance sheet and by expanding disclosure requirements. Based on the effective date, the Company expects to adopt the new guidance in the first quarter of fiscal 2020 using the modified retrospective method. While the Company expects adoption of this standard to lead to a material increase in the assets and liabilities recorded on the Company's balance sheet, the Company is still evaluating the overall impact of this guidance.

Reclassifications

Certain 2016 amounts have been reclassified to conform to 2017 presentation. Such reclassifications had no effect on previously reported net income.

3. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of December 31, 2017:

Computer Software	$	284,424
Furniture and Fixtures		127,145
Machinery & Equipment		381,656
Less: Accumulated Depreciation		(500,940)
Property and Equipment, net	$	292,285

Depreciation expense totaled $18,019 during the year ended December 31, 2017.

4. NOTES PAYABLE

During the year ended December 31, 2017, the Company entered into a borrowing arrangement with a financial institution to purchase an automobile. The note is secured by the automobile asset and bears interest at a rate of 2.99% per annum. The total amount financed under the loan was $31,135 and, as of December 31, 2017 the

4. NOTES PAYABLE (cont.)

total outstanding principal balance under the loan totaled $30,172. Future minimum payments required under this note are as follows:

Years ending December 31,		
2018	$	5,894
2019		6,072
2020		6,257
2021		6,446
Thereafter		5,503
Total payments	$	30,172

5. CONCENTRATION

During the year ended December 31, 2017, purchases from three vendors represented 70% of total inventory purchases. As of December 31, 2017, amounts owed to these vendors totaled $433,631 and are included in accounts payable in the accompanying balance sheet.

6. RELATED PARTY TRANSACTIONS

An affiliate of the Company provides credit card processing services for the Company. The affiliate earned $90,833 for the year ended December 31, 2017 for these services. The affiliate charges a 1% fee on credit card remittances to the Company.

The Company pays certain reimbursable operating expenses of an affiliate. The same affiliate also collects cash on behalf of the Company as part of the credit card processing arrangement. The total cash and reimbursable expenses was $71,556 as of December 31, 2017 and are recorded as due from related party on the accompanying balance sheet.

7. CAPITAL LEASES

The Company leases property under capital leases. Interest rates on capitalized leases range from 4% to 11%, imputed based on the lesser of the Company's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return. Property and equipment includes the following under capital leases at December 31, 2017:

Equipment	$	331,140
Less: Accumulated depreciation		(331,140)
	$	—

Future minimum payments required under these leases together with their present value are as follows:

Years ending December 31,		
2018	$	1,902
Total payments		1,902
Amount representing interest		(26)
	$	1,876

8. COMMITMENTS

Operating Leases

On January 14, 2016, the Company entered into a 63-month lease agreement for its corporate offices in Torrance California, which includes the use of warehouse space. The lease agreement commenced on February 15, 2016 and required monthly rental payments with periodic scheduled increases. Total rent expense under all cancellable and non-cancellable operating leases was $489,593 for the year ended December 31, 2017.

Future minimum lease payments under these lease agreements at December 31, 2017, are as follows:

Years ending December 31,		
2018	$	348,128
2019		391,256
2020		402,999
2021 and thereafter		137,690
Total payments	$	1,280,073

On March 1, 2016, the Company entered into a 12-month sublease agreement related to a portion of its corporate office space. The tenant continued to lease on a month to month basis until the original lease agreement was renewed in October 2017, during which monthly income payments of $9,025 plus its portion of CAM charges were received by the Company. In October 2017, the sublessee vacated the premises and transferred possession of the premises to a third-party without requisite consents. Total rental income under the sublease was $154,333 for the year ended December 31, 2017 and is included in selling, general and administrative expense in the accompanying statement of operations as a reduction of rental expense.

9. MEMBERS' EQUITY

The rights and obligations of members, as well as all other significant ownership and governance matters, are set forth in the Company Agreement of Better Life Holdings, LLC.

The Company issues membership interests in the form of Units with the following three classes of Units authorized: Class A Common Units ("Class A Units"), Class B Common Units ("Class B Units") and Profit Units. The Company has authorized 15,000,000 Class A Units, 5,000,000 Class B Units, and 1,900,000 Profit Units. Each Class A Unit and Class B Unit has a vote and profit and losses are allocated proportionally to each Class A and Class B Units as provided in the Company Agreement. The Profit Units are non-voting and are not entitled to distributions or allocations, except upon the occurrence of a liquidity event.

With the approval of Rochester Vapor Group, LLC ("RVG"), the Company's Board of Directors (the "Board") shall have the right to amend the number of the authorized Class A Units or Class B Units without obtaining the consent of the Members. Unless otherwise determined by the Board or required by applicable law, the Units will not be evidenced by certificates.

During the year ended December 31, 2016, RVG purchased 2,317,212 Class B Units for $2,200,000. In November of 2017, RVG purchased an additional 868,955 Class B Units for $825,000. The B Units have a liquidation preference and other protective rights. Further, if at any time the Company proposes to issue equity securities (other than the issuance of securities to the public in a firm commitment underwriting pursuant to a registration statement filed under the Securities Act), or pursuant to the acquisition of another company by the Company by merger, purchase of substantially all of the assets or other form of reorganization approved by the Board, shall offer to issue to RVG at least fifty percent (50%) of the proposed securities.

A Member, by written notice to the Company after May 1, 2019, can request the Company redeem all the Units then held by the Member. The Company shall redeem the Units within six months after the date of such request by the Member.

9. MEMBERS' EQUITY (cont.)

Only a Member may initiate the redemption of Units and other Members may participate in the redemption. The Company shall provide written notice to all Members of their opportunity to participate upon receiving a valid redemption request from a Member.

The Company shall pay the Member an amount in cash for the Units equal to the fair market value as determined in good faith by the Board and the unanimous consent of all Members. If the Board and the Member are not able to agree as to the fair market value for the redemption within ten (10) Business Days of receiving a valid redemption request from a Member, then the fair market value shall be determined by mediation or binding arbitration in accordance with the Company Agreement.

The Board may issue Profit Units at its discretion. These Units may be issued to employees or other persons as incentives to improve earnings and the growth of the Company and subject to vesting as determined by the Board.

Effective January 1, 2017, the Company granted 825,889 Profit Units to certain employees and officers. Profit Units represent the right to participate in future profits and appreciation in the value of the Company after the date of the grant without having to contribute capital to the Company. The award is subject to vesting provisions whereby 100% of the award will vest upon the third anniversary of the date of the grant provided that the grantee remains in the continued service of the Company. In accordance with ASC 718-40, *Awards Classified as Equity*, management has determined as of the grant date, the estimated fair value of the Profit Units was $0 (see Note 10), and as such, no compensation expense has been recorded for the year ended December 31, 2017.

10. SUBSEQUENT EVENTS

On February 20, 2018, the Company was acquired by Jacoby Holdings LLC (d/b/a/ Greenlane) in exchange for an equity interest in the acquiring entity. The transaction was accounted for as a business combination and the Company's financial position and results of operations subsequent to the transaction date will be reported as part of the acquiring entity's consolidated financial statements. As a result of this, the rights and obligations of the Class A and Class B Units were terminated.

Effective February 20, 2018, the Profit Units (see Note 9) were canceled in conjunction with the sale of the Company.

The Company has evaluated subsequent events through June 1, 2018, the date on which these financial statements were available to be issued.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
of Pollen Gear LLC

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Pollen Gear LLC and subsidiary (a Delaware limited liability company), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, the related consolidated statements of operations, changes in members' deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pollen Gear LLC and subsidiary (a Delaware limited liability company), as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As described in Note 10 to the accompanying financial statements, in January of 2019 the Company was acquired in exchange for an equity interest in the acquiring entity. The transaction was accounted for as a business combination and the financial position and results of operations of the Company subsequent to the transaction date will be reported as part of the acquiring entity's consolidated financial statements.

/s/ Squar Milner LLP

SQUAR MILNER LLP

San Diego, California
March 7, 2019

Pollen Gear LLC
CONSOLIDATED BALANCE SHEETS
December 31, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash	$ 248,159	$ 646,070
Account receivable	832,253	64,151
Inventory	897,949	122,567
Other deposits	18,377	—
Vendor deposits	1,019,776	186,010
Total current assets	3,016,514	1,018,798
Property and Equipment, net	340,797	195,858
Patents and Trademarks, net	360,462	291,306
Total assets	$ 3,717,773	$ 1,505,962
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 682,664	$ 125,457
Customer deposits	1,862,724	205,493
Accrued expenses	214,142	115,965
Convertible notes payable, current portion	1,500,500	1,215,500
Total current liabilities	4,260,030	1,662,415
Convertible Notes Payable, net of current portion	—	285,000
Total liabilities	4,260,030	1,947,415
Members' Deficit	(542,257)	(441,453)
Total members' deficit	(542,257)	(441,453)
Total liabilities and members' deficit	$ 3,717,773	$ 1,505,962

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Pollen Gear LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2018 and 2017

	2018	2017
SALES – net	$ 6,865,516	$ 995,020
COST OF SALES	5,302,209	620,961
GROSS PROFIT	1,563,307	374,059
OPERATING EXPENSES		
Selling, general and administrative	1,429,478	401,674
Advertising	102,011	58,253
Depreciation and amortization	58,276	27,418
Total operating expenses	1,589,765	487,345
OPERATING LOSS	(26,458)	(113,286)
INTEREST EXPENSE	74,346	68,367
NET LOSS	$ (100,804)	$ (181,653)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Pollen Gear LLC
CONSOLIDATED STATEMENTS OF MEMBERS' DEFICIT
For the Years Ended December 31, 2018 and 2017

	Class A		Class B		
	Units	**Amount**	**Units**	**Amount**	**Total**
Balance – January 1, 2017	4,700,000	$ (249,406)	200,000	$ (10,394)	$ (259,800)
Net loss	—	(174,387)	—	(7,266)	(181,653)
Balance – December 31, 2017	4,700,000	(423,793)	200,000	(17,660)	(441,453)
Issuance of Class B units	—	—	553,244	—	—
Net loss	—	(86,691)	—	(14,113)	(100,804)
Balance – December 31, 2018	4,700,000	$ (510,484)	753,244	$ (31,773)	$ (542,257)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Pollen Gear LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (100,804)	$ (181,653)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation	42,780	22,558
Amortization of patents	15,496	4,860
Changes in operating assets and liabilities:		
Accounts receivable	(768,102)	(64,151)
Inventory	(775,382)	(122,567)
Vendor deposits	(833,766)	(132,160)
Other deposits	(18,377)	—
Accounts payable	557,207	113,680
Customer deposits	1,657,231	205,493
Accrued expenses	98,177	68,501
Net cash used in operating activities	(125,540)	(85,439)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capitalized patent costs	(84,653)	(218,651)
Purchases of property and equipment	(187,718)	(91,955)
Net cash used in investing activities	(272,371)	(310,606)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	—	285,000
Net cash provided by financing activities	—	285,000
NET DECREASE IN CASH	(397,911)	(111,045)
CASH – beginning of year	646,070	757,115
CASH – end of year	$ 248,159	$ 646,070

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

1. ORGANIZATION AND BUSINESS

Pollen Gear LLC (the "Company"), a Delaware limited liability company formed on January21, 2016, is in the business of manufacturing and distributing multi-use glass and plastic resealable containers. The Company is headquartered in Hermosa Beach, California and the consolidated financial statements include the operations of its wholly-owned subsidiary Rocketmang LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies presented below is designed to assist in understanding the Company's financial statements. Such financial statements and accompanying notes are the representations of the Company's management, who is responsible for their integrity and objectivity. Management believes that these accounting policies conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") in all material respects, and have been consistently applied in preparing the accompanying consolidated financial statements.

Principles of Consolidation and Basis of Presentation

The accompanying consolidated financial statements include the assets, liabilities, and financial activities of Pollen Gear LLC and its wholly-owned subsidiary, Rocketmang LLC. All significant intercompany transactions and balances have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP, on a basis consistent with prior periods. Certain prior period amounts have been reclassified to conform to current year presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Actual results may differ from those estimates under different assumptions or circumstances.

Revenue Recognition

The Company recognizes revenue from product sales when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, title has transferred, the selling price is fixed or determinable, and collectability is reasonably assured.

Product sales and shipping revenues, net of promotional discounts, are recorded when the products are shipped, title passes to customers and collection is reasonably assured. Retail sales to customers are made pursuant to a sales invoice that provides for transfer of both title and risk of loss upon the Company's delivery to the shipping carrier. Revenue from product sales are recorded net of sales and consumption taxes.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of December 31, 2018 and 2017, there were no cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments, when applicable. Management has determined that no allowance was required at December 31, 2018 and 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Inventories

The Company's inventories consist primarily of finished goods in transit. Inventories are stated at the lower of cost (determined by the first-in, first-out method) or net realizable value. The Company provides reserves for excess and obsolete inventories determined primarily based upon inventory on hand, historical sales activity, industry trends and expected net realizable value. As of December 31, 2018, the Company did not record any inventory reserve.

Vendor Deposits

The Company pays certain of its manufacturers deposit amounts at the time a purchase order is initiated. Amounts paid in advance of the completion of products are recorded as vendor deposits.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and impairment. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Expenditures for repairs and maintenance are charged to expense as incurred. Upon disposal of property and equipment, the costs and related accumulated depreciation amounts are relieved, and any resulting gain or loss is reflected in operations during the period of disposal.

Long-lived assets are reviewed for impairment when changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Patents and Trademarks

Costs paid by the Company related to the establishment, transfer and purchase of patents and trademarks, which consist primarily of legal costs, are capitalized and amortized, depending on the estimated useful life of the technology patented. These assets are being amortized using the straight-line method over their estimated useful lives which generally range from five to ten years.

Customer Deposits

The Company receives deposit amounts from customers at the time certain orders are placed. Amounts received in advance of the delivery of products are recorded as customer deposits.

Impairment of Intangibles and Long-Lived Assets

The Company evaluates intangible assets and long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC') 360-10, *Property and Equipment*. If the Company believes an asset to be impaired, the impairment recognized is the amount by which the carrying value exceeds the fair value of the asset. Any write-downs would be treated as permanent reductions in the carrying amount of the asset and an operating loss would be recognized. As of December 31, 2018 and 2017, the Company did not record any impairment to long lived assets.

Fair Value Measurements

At December 31, 2018 and 2017, the Company did not have any assets or liabilities measured at fair value on a recurring basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes

No provision for income taxes has been made in the financial statements as the Company is a "pass through" entity. Each member is individually liable for tax on their share of the Company's income or loss. The Company prepares a calendar year informational tax return.

Significant Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. The new guidance establishes a single comprehensive model for entities to use in accounting for revenue and supersedes most current revenue recognition guidance. This guidance introduces a five-step process for revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards under current guidance and requires significantly expanded disclosures. This new guidance is effective for the Company in the first quarter of fiscal year 2019. The Company has not completed its evaluation of the potential impact of adopting the new guidance on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The new guidance was issued to increase transparency and comparability among companies by requiring most leases to be included on the balance sheet and by expanding disclosure requirements. Based on the effective date, the Company expects to adopt the new guidance in the first quarter of fiscal year 2020 using the modified retrospective method. While the Company expects adoption of this standard to lead to an increase in the assets and liabilities recorded on the Company's balance sheet, the Company is still evaluating the overall impact of this guidance.

3. PROPERTY AND EQUIPMENT, NET

Fixed assets consist of the following as of December 31, 2018 and 2017:

	2018	2017
Molds and equipment	$ 411,044	$ 223,325
Less: Accumulated depreciation	(70,247)	(27,467)
Fixed assets, net	$ 340,797	$ 195,858

Depreciation expense totaled $42,780 and $22,558 during the year ended December 31, 2018 and 2017, respectively.

4. PATENTS AND TRADEMARKS, NET

Patents and trademarks consist of the following as of December 31, 2018 and 2017:

	2018	2017
Patents and trademarks	$ 380,819	$ 296,166
Less: Accumulated amortization	(20,357)	(4,860)
Patents, net	$ 360,462	$ 291,306

Amortization expense totaled $15,496 and $4,860 during the year ended December 31, 2018 and 2017, respectively.

5. ACCRUED EXPENSES

Accrued expenses consist of the following as of December 31, 2018 and 2017:

	2018	2017
Accrued interest	$ 170,942	$ 96,448
Other expenses	43,200	19,517
Accrued expenses	$ 214,142	$ 115,965

6. CONVERTIBLE NOTES PAYABLE

The Company has entered into convertible notes payable ("notes") with various investors to finance working capital needs. These notes bear interest at a rate of 5% per annum and mature two years from the date of issuance with maturity dates ranging from February of 2018 through November of 2019. The principal and accrued interest under the notes shall automatically convert into the same class or series of securities in connection with the consummation of the closing of at least $1,000,000 in cumulative gross sale proceeds received by the Company in any future equity financing transaction ("Qualified Financing Event"). The conversion price at the time of a Qualified Financing Event would be the lower of 85% of the lowest per unit price paid as part of the Qualified Financing Event or the per unit price achieved by dividing $6,000,000 by the total number of outstanding units. If, at maturity, no Qualified Financing Event has occurred, the holder may convert the notes using the lesser of 85% of the lowest per unit price paid as part of the Qualified Financing Event or the per unit price achieved by dividing $6,000,000 by the total number of outstanding units. Certain of the notes have matured in 2018. The Company has not received notification of intent to convert from the note holders, and continues to accrue interest on the matured notes.

As of December 31, 2018 and 2017, total principal of notes payable was $1,500,500. Total accrued interest as of December 31, 2018 and 2017 was $170,942 and $96,448, respectively. Future minimum payments required under these notes are as follows:

Year ended December 31, 2019	$ 1,500,500

In connection with the acquisition described in note 10, in January of 2019 the notes payable were converted into equity of the acquiring entity.

7. CONCENTRATION RISK

Cash

The Company maintains cash balances a single financial institution. The Federal Deposit Insurance Corporation currently insures accounts up to $250,000. At times, balances may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Sales and accounts receivable

During the year ended December 31, 2018, 100% of the Company's sales were to one customer and all amounts recorded as accounts receivable are due from the same customer.

Foreign suppliers

Substantially all of the Company's products are manufactured by vendors in China. Accordingly, the Company is subject to various political, economic, and other risks and uncertainties associated with reliance on foreign entities for its supply of inventory.

8. MEMBERS' EQUITY

The rights and obligations of members, as well as all other significant ownership and governance matters, are set forth in the Company Agreement of Pollen Gear LLC.

The Company issues membership interests in the form of Units with the following two classes of Units authorized: Class A Common Units ("Class A Units") and Class B Common Units ("Class B Units"). The Company has authorized 4,700,000 Class A Units and 300,000 Class B Units. Each Class A Unit has a vote and profit and losses are allocated proportionally to each Class A Unit as provided in the Company Agreement. The Class B Units are non-voting and are not entitled to distributions or allocations, except upon the occurrence of a liquidity event once certain profit thresholds are achieved.

During the year ended December 31, 2016, the Company issued 4,700,000 Class A Units in connection with the founding of the Company.

During 2016 and 2018, the Company issued 200,000 and 553,244 Class B Units, respectively, as incentive units to certain employees and non-employee sub-contractors. At December 31, 2018, the cumulative balance of Class B units represents a 14% non-voting interest in the Company when fully vested. All of the incentive units vest over a two to five year period. The agreements specify that the award entitles the grantee to only participate in certain net profit and net proceeds in excess of a threshold amount (as defined) from a capital event that is also a change in control of the Company, allocated and distributed to the profits interest from and after the grant date, and does not entitle the grantee to any other profits of the Company, and as such is intended to constitute a profits interest under the Company's LLC agreement. The Company determined that these awards represent equity instruments and are accounted for under ASC 718, *Stock Compensation*. The profits interest award provisions include both a service condition (implicit requisite service period) and a performance condition (i.e., change in control). Vesting of the profits interest awards is on satisfying either the service or the performance condition. As a result, the initial requisite service period is the shorter of the explicit service period for the service condition or the explicit or implicit service period for the performance condition. Under ASC 718, the total fair value of the profits interest awards is measured at grant date and cost is recognized over the service vesting period or accelerated if a change of control occurs prior to the completion of service vesting. The grant date fair values of these awards were immaterial. As a result, no compensation expense was recognized during the year ended December 31, 2018 and 2017.

9. COMMITMENTS AND CONTINGENCIES

Litigation

During the ordinary course of the Company's business, it is subject to various claims and litigation. Management believes that the outcome of such claims or litigation will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Operating Leases

The Company entered into a five year noncancelable facilities lease in May 2018 for office space in Hermosa Beach, California.

9. COMMITMENTS AND CONTINGENCIES (cont.)

Approximate future minimum lease payments under noncancelable long-term operating leases are as follows:

Year Ending December 31,		
2019	$	52,654
2020		54,496
2021		56,404
2022		58,378
2023		24,672
	$	246,604

Total rent expense was approximately $54,384, for the year ended December31, 2018, and is included in selling, general and administrative expenses in the accompanying statements of income.

10. SUBSEQUENT EVENTS

On January 14, 2019, the Company was acquired by Greenlane Holdings, LLC (“Greenlane”) in exchange for an equity interest in Greenlane. Accordingly, the Company’s financial position and results of operations subsequent to the transaction date will be reported as part of Greenlane’s consolidated financial statements. As a result of this transaction, the rights and obligations of all Class A and Class B Units were terminated. In addition, the aggregate notes payable and accrued interest in the amount of $1,671,442 were converted to an equity interest in Greenlane as part of the transaction.

The Company has evaluated subsequent events through March7, 2019, the date on which these financial statements were available to be issued.


The Greenlane Ecosystem

Shares

Greenlane Holdings, Inc.

Class A Common Stock

PRELIMINARY PROSPECTUS

Cowen **Canaccord Genuity**

, 2019

Until , 2019 (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution***

The following table sets forth all expenses to be paid by the registrant, other than estimated underwriting discounts and commissions, in connection with our initial public offering. All amounts shown are estimates except for the SEC registration fee and the FINRA filing fee:

SEC registration fee	$	11,151
Stock exchange listing fee		*
FINRA filing fee		*
Printing expenses		*
Legal fees and expenses		*
Accounting fees and expenses		*
Blue Sky fees and expenses (including legal fees)		*
Transfer agent and registrar fees		*
Miscellaneous		*
Total	$	*

* To be completed by amendment

Item 14. ***Indemnification of Directors and Officers***

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. The registrant's bylaws provide for indemnification by the registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. The registrant's amended and restated certificate of incorporation provides for such limitation of liability.

The registrant maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act, and (b) to the registrant with respect to payments which may be made by the registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

The proposed form of Underwriting Agreement filed as Exhibit 1.1 to this registration statement provides for indemnification of directors and officers of the registrant by the underwriters against certain liabilities.

The registrant expects to enter into customary indemnification agreements with its executive officers and directors that provide them, in general, with customary indemnification in connection with their service to the registrant or on the registrant's behalf.

Item 15. ***Recent Sales of Unregistered Securities***

On May 2, 2018, the registrant issued 200 shares of common stock, par value $0.01 per share, which will be redeemed upon the completion of this offering. Each of two officers of the registrant received 100 shares of common stock in exchange for $0.01 each. The issuances were exempt from registration under Section 4(a)(2) of the Securities Act, on the basis that the transactions did not involve a public offering.

In December 2018 and January 2019, Greenlane Holdings, LLC, a subsidiary of the registrant, sold and issued $48.25 million aggregate principal amount of convertible promissory notes (the "Convertible Notes") in a private placement transaction that was exempt from registration pursuant to Rule 506 of Regulation D under the Securities Act. The Convertible Notes do not accrue interest and will automatically settle into shares of our Class A common stock in connection with the closing of this offering at a settlement price equal to 80% of the initial public offering price per share set forth on the cover page of the prospectus forming a part of this registration statement.

Additionally, in connection with the Transactions described under "The Transactions" in the accompanying prospectus, the registrant will issue an aggregate of shares of its Class B common stock to the Non-Founder Members and shares of its Class C common stock to the Founder Members. The shares of Class B common stock and the shares of Class C common stock described above will be issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act, on the basis that the transactions will not involve a public offering. No underwriters will be involved in the transactions.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) *Exhibits*. The following exhibits are included herein or incorporated herein by reference:

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.1	Form of Amended and Restated Certificate of Incorporation of Greenlane Holdings, Inc.
3.2	Form of Second Amended and Restated Bylaws of Greenlane Holdings, Inc.
4.1*	Form of Stock Certificate.
4.2	Form of Convertible Promissory Note.
5.1*	Opinion of Pryor Cashman LLP as to the validity of securities being offered.
10.1	Form of Reorganization Agreement among Greenlane Holdings, Inc., Greenlane Holdings, LLC and the Members listed on the signature pages thereto.
10.2	Form of Registration Rights Agreement between Greenlane Holdings, Inc. and the Members of Greenlane Holdings, LLC.
10.3	Form of Third Amended and Restated Greenlane Holdings, LLC Operating Agreement.
10.4	Form of Tax Receivable Agreement between Greenlane Holdings, Inc. and the Members of Greenlane Holdings, LLC.
10.5	Form of Indemnification Agreement.
10.6	Credit Agreement, dated as of October 4, 2017, by and between Jacoby & Co. Inc. and Fifth Third Bank.
10.7	Omnibus Amendment No.1 to Credit Agreement, Guarantees, and Security Agreements, dated as of August 23, 2018, by and among Greenlane Holdings, LLC, Jacoby & Co. Inc., the other Borrower Parties listed on the signature page thereto and Fifth Third Bank.
10.8	Amended and Restated Credit Agreement, dated as of October 1, 2018, by and among 1095 Broken Sound Pkwy LLC, Greenlane Holdings, LLC and Fifth Third Bank.
10.9	Greenlane Holdings, Inc. 2019 Equity Incentive Plan.
10.10	Contribution Agreement, dated as of February 20, 2018, by and among Greenlane Holdings, LLC (f/k/a Jacoby Holdings LLC), the Sellers named therein and Better Life Products, Inc., as Seller Representative.
10.11	Employment Agreement with Aaron LoCascio.
10.12	Employment Agreement with Adam Schoenfeld.
10.13	Employment Agreement with Sasha Kadey.
10.14	Employment Agreement with Jay Scheiner.

Exhibit Number	Description
10.15	Employment Agreement with Ethan Rudin.
10.16	Assignment and Assumption Agreement, dated as of November 5, 2018, by and between Jacoby & Co. Inc. and Warehouse Goods LLC, relating to Employment Agreement with Aaron LoCascio.
10.17	Assignment and Assumption Agreement, dated as of November 5, 2018, by and between Jacoby & Co. Inc. and Warehouse Goods LLC, relating to Employment Agreement with Adam Schoenfeld.
10.18	Contribution Agreement, dated as of January 4, 2019, by and among Greenlane Holdings, LLC, Pollen Gear Holdings LLC and Pollen Gear LLC.
10.19	Form of Stock Option Agreement.
10.20	Form of Restricted Stock Agreement.
21.1	List of subsidiaries of Greenlane Holdings, Inc.
23.1	Consent of BDO USA, LLP.
23.2	Consent of Squar Milner LLP.
23.3*	Consent of Pryor Cashman LLP (included in Exhibit 5.1 to this Registration Statement).
23.4	Consent of Neil Closner, Director Nominee.
23.5	Consent of Richard Taney, Director Nominee.
23.6	Consent of Jeff Uttz, Director Nominee.
24.1	Powers of Attorney (included in signature page).

* Indicates to be filed by amendment.

(b) *Financial Statement Schedules*. All financial statement schedules are omitted because they are not applicable or the information is included in the Registrant's consolidated financial statements or related notes.

Item 17. *Undertakings*

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Boca Raton, State of Florida, on March 20, 2019.

GREENLANE HOLDINGS, INC.

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below authorizes Aaron LoCascio and Adam Schoenfeld, or any of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, to execute in his or her name and on his or her behalf, in any and all capacities, this Registrant's registration statement on Form S-1 and any amendments thereto (and any additional registration statement related thereto permitted by Rule 462(b) promulgated under the Securities Act of 1933 (and all further amendments, including post-effective amendments thereto)), necessary or advisable to enable the registrant to comply with the Securities Act of 1933, and any rules, regulations and requirements of the Securities and Exchange Commission, in respect thereof, in connection with the registration of the securities which are the subject of such registration statement, which amendments may make such changes in such registration statement as such attorney may deem appropriate, and with full power and authority to perform and do any and all acts and things whatsoever which any such attorney or substitute may deem necessary or advisable to be performed or done in connection with any or all of the above-described matters, as fully as each of the undersigned could do if personally present and acting, hereby ratifying and approving all acts of any such attorney or substitute.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Aaron LoCascio Aaron LoCascio	Chief Executive Officer and Chairman of the Board of Directors *(Principal Executive Officer)*	March 20, 2019
/s/ Ethan Rudin Ethan Rudin	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	March 20, 2019
/s/ Adam Schoenfeld Adam Schoenfeld	Chief Strategy Officer and Director	March 20, 2019

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
GREENLANE HOLDINGS, INC.

Greenlane Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware (the "***Corporation***") hereby certifies as follows:

1. The name of the Corporation is Greenlane Holdings, Inc. The original Certificate of Incorporation of the Corporation was filed with the Office of the Secretary of State of the State of Delaware on May 2, 2018.

2. This Amended and Restated Certificate of Incorporation of the Corporation has been duly adopted by the board of directors of the Corporation (the "***Board of Directors***") in accordance with Section 241 of the Delaware General Corporation Law.

3. The effective time of this Amended and Restated Certificate of Incorporation of the Corporation shall be the date and time it is filed with the Secretary of State of the State of Delaware.

4. Immediately prior to the effective time of this Amended and Restated Certificate of Incorporation, the Corporation has authorized one thousand (1,000) shares of common stock, par value $0.01 per share (the "***Original Common Stock***"), and has issued two hundred (200) shares of Original Common Stock outstanding.

5. The text of the Certificate of Incorporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I.
NAME

The name of the corporation is Greenlane Holdings, Inc. (the "***Corporation***").

ARTICLE II.
REGISTERED OFFICE

The address of the registered office of the Corporation in the State of Delaware is 160 Greentree Drive, Suite 101, Delaware 19904, in the County of Kent. The name of the registered agent of the Corporation at that address is National Registered Agents, Inc.

ARTICLE III.
CORPORATE PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law (the "***DGCL***").

ARTICLE IV.
AUTHORIZED CAPITAL STOCK

A. The total number of shares of all classes of stock that the Corporation is authorized to issue is [●] million ([●]), consisting of (i) [●] million ([●]) shares of Class A common stock, with a par value of $0.01 per share (the "***Class A Common Stock***"); (ii) [●] million ([●]) shares of Class B common stock, with a par value of $0.0001 per share (the "***Class B Common Stock***"); and (iii) [●] million ([●]) shares of Class C common stock, with a par value of $0.0001 per share (the "***Class C Common Stock***", and together with the Class A Common Stock and the Class B Common Stock, the "***Common Stock***"); and (iv) [●] million ([●]) shares of preferred stock, with a par value of $0.0001 per share as of the effective time of this Amended and Restated Certificate of Incorporation and thereafter as may be established by the Board of Directors with respect to any class or series thereof in the applicable Preferred Stock Designation (the "***Preferred Stock***"). At the effective time, the two hundred (200) shares of Original Common Stock of the Corporation issued and outstanding prior to the effective time shall be cancelled without further action by, or consideration to, the holders thereof.

B. The Board of Directors is authorized to provide for the issuance of shares of Preferred Stock in one or more classes or series, and by filing a certificate pursuant to the applicable law of the State of Delaware (such certificate being hereinafter referred to as a "***Preferred Stock Designation***"), to establish from time to time the number of shares to be included in each such class or series, and to fix the voting powers, designations, preferences, limitations, restrictions and relative rights thereof, including, without limitation, the authority to fix or alter the dividend rights, dividend rates, conversion rights, exchange rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, the dissolution preferences and the rights in respect to any distribution of assets of any wholly unissued class or series of Preferred Stock, and the treatment in the case of a merger, business combination transaction, or sale of the Corporation's assets, and to increase or decrease the number of shares of any class or series so created subsequent to the issue of that class or series but not below the number of shares of such class or series then outstanding. In case the number of shares of any class or series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such class or series. There shall be no limitation or restriction on any variation between any of the different classes or series of Preferred Stock as to the designations, preferences, limitations, restrictions and relative rights thereof; and the several classes or series of Preferred Stock may vary in any and all respects as fixed and determined by the resolution or resolutions of the Board of Directors or a committee of the Board of Directors, providing for the issuance of the various classes or series of Preferred Stock.

C. The number of authorized shares of any of the Class A Common Stock, Class B Common Stock, Class C Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote thereon, without a separate vote of any holders of the Class A Common Stock, Class B Common Stock, Class C Common Stock or Preferred Stock, or of any class or series thereof, unless a separate vote of any such holders is required pursuant to the terms of any Preferred Stock Designation, irrespective of the provisions of Section 242(b)(2) of the DGCL.

D. Except as otherwise required by the DGCL or as provided by or pursuant to the provisions of this Amended and Restated Certificate of Incorporation:

1. Each share of Class A Common Stock, Class B Common Stock and Class C Common Stock shall entitle the record holder thereof to one (1) vote on all matters on which stockholders generally are entitled to vote.

2. Except as otherwise required in this Amended and Restated Certificate of Incorporation, the holders of Common Stock shall vote together as a single class on all matters (or, if any holders of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of Preferred Stock).

3. The holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation or to a Preferred Stock Designation that alters or changes the powers, preferences, rights or other terms of one or more outstanding class or series of Preferred Stock if the holders of such affected class or series are entitled, either separately or together with the holders of one or more other class or series of Preferred Stock, to vote thereon as a separate class pursuant to this Amended and Restated Certificate of Incorporation or a Preferred Stock Designation or pursuant to the DGCL as currently in effect or as the same may hereafter be amended.

4. Except as expressly provided in this Article IV, the Class B Common Stock and Class C Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters. Notwithstanding the foregoing, (a) in the event of a merger, consolidation, conversion, exchange or other business combination requiring the approval of the holders of the Corporation's capital stock entitled to vote thereon (whether or not the Corporation is the surviving entity), the holders of the Class B Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration (if any) as the holders of the Class C Common Stock; provided, however, that on a per share basis, the holders of the Class B Common Stock shall have the right to receive, or the right to elect to receive, three (3) times the amount of consideration (if any) on a per share basis as the holders of the Class C Common Stock and (b) in the event of (i) any tender or exchange offer to acquire any shares of Common Stock by any third party pursuant to an agreement to which the Corporation is a party or (ii) any tender or exchange offer by the Corporation to acquire any shares of Common Stock, pursuant to the terms of the applicable tender or exchange offer, the holders of the Class B Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration (if any) as the holders of the Class C Common Stock; provided, however, that on a per share basis, the holders of the Class B Common Stock shall have the right to receive, or the right to elect to receive, three (3) times the amount of consideration (if any) on a per share basis as the holders of the Class C Common Stock; *provided that*, for the purposes of the foregoing clauses (a) and (b) and notwithstanding the first sentence of this Article IV.D.4, payments under or in respect of the tax receivable or similar agreement entered by the Corporation from time to time with any holders of Common Stock and/or securities of the LLC (as defined below) shall not be considered part of the consideration payable in respect of any share of Common Stock.

5. No stockholder has any right or will be permitted to cumulate votes in any election of directors.

E. From and after the effective time of this Amended and Restated Certificate of Incorporation, additional shares of Class B Common Stock may be issued only to, and registered in the name of, (i) the Non-Founder Members (as defined below), their respective successors and assigns as well as their respective transferees permitted in accordance with Article IV.J (including all subsequent successors, assigns and permitted transferees) and (ii) any Permitted Class C Owner (as defined below) that acquires Class B Common Stock pursuant to Article IV.F.2, Article IV.F.3 or Article IV.J (collectively, "***Permitted Class B Owners***"), in accordance with this Article VI and the aggregate number of shares of Class B Common Stock following any such issuance registered in the name of each such Permitted Class B Owner (excluding any Permitted Class C Owner) must be equal to the aggregate number of Common Units (as defined below) held of record by such Permitted Class B Owner under the Operating Agreement (as defined below).

F.

1. *Issuance of Additional Shares.* From and after the effective time of this Amended and Restated Certificate of Incorporation, additional shares of Class C Common Stock may be issued only to, and registered in the name of, (a) Aaron LoCascio, his spouse or any of his lineal descendants (including by step-, adoptive or similar relationships), (b) Adam Schoenfeld, his spouse or any of his lineal descendants (including by step-, adoptive or similar relationships), (c) Jacoby & Co. Inc., a Delaware corporation, or any other entities wholly owned, individually or jointly with others, by Messrs. LoCascio and Schoenfeld, their spouses, any of their lineal descendants (including by step-, adoptive or similar relationships), or any trust or other estate planning vehicle for the benefit, individually or jointly with others, of Messrs. LoCascio and Schoenfeld, their spouses or any of their lineal descendants (including by step-, adoptive or similar relationships), (d) any trust or other estate planning vehicle for the benefit, individually or jointly with others, of Messrs. LoCascio and Schoenfeld, their spouses or any of their lineal descendants (including by step-, adoptive or similar relationships), or (e) any of their respective successors or assigns, as well as their respective transferees permitted in accordance with Article IV.J.2.b (including all subsequent successors, assigns and permitted transferees) (collectively, "***Permitted Class C Owners***") or in accordance with Article VI, and following any such issuance, the aggregate number of Common Units held by record of such Permitted Class C Owner under the Operating Agreement must be equal to the sum of the number of shares of Class B Common Stock and one-third (⅓) of the number of shares of Class C Common Stock registered in the name of each such Permitted Class C Owner.

2. *Voluntary Conversion.* Each share of Class C Common Stock shall be automatically converted into one-third (⅓) of a share of Class B Common Stock if the holders of a majority of the shares of Class C Common Stock then outstanding, acting as a single class, approve or consent to such conversion.

3. *Mandatory Conversion*. If, at any time after the effective time of this Amended and Restated Certificate of Incorporation, any share of Class C Common Stock shall not be owned, beneficially or of record, by a Permitted Class C Owner, such share of Class C Common Stock shall be automatically converted into one third (⅓) of a share of Class B Common Stock.

4. *Mechanics of Conversion.* Upon any conversion of shares of Class C Common Stock into shares of Class B Common Stock pursuant to Article IV.F.2 or Article IV.F.3, the holder shall surrender any certificate or certificates representing the shares of Class C Common Stock being converted, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, and shall give written notice to the Corporation at its principal corporate office stating the name or names in which the certificate or certificates representing the shares of Class B Common Stock issued upon conversion of such holder's shares of Class C Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates representing the number of shares of Class B Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately upon the occurrence of any conversion described in Article IV.F.2 or Article IV.F.3, and the person or persons entitled to receive the shares of Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class B Common Stock as of such date.

5. *Reservation of Shares upon Conversion.* The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class B Common Stock, the number of shares of Class B Common Stock as shall from time to time be sufficient to effect a conversion of all outstanding shares of Class C Common Stock and all additional shares of Class C Common Stock (if any) issuable upon the exercise of any outstanding options, warrants or other rights to acquire shares of Class C Common Stock. The Corporation covenants that all shares of Class B Common Stock issued upon any such conversion will, upon issuance, be validly issued, fully paid and non-assessable.

6. *Status of Converted Stock.* In the event any shares of Class C Common Stock shall be converted into shares of Class B Common Stock pursuant to this Article IV.F, the shares of Class C Common Stock so converted shall be retired and shall not be reissued by the Corporation.

G. As used in this Amended and Restated Certificate of Incorporation:

1. "***Common Unit***" means a unit of membership interest in the LLC, authorized and issued under the Operating Agreement, and constituting a "Common Unit" as defined in the Operating Agreement as in effect as of the effective time of this Amended and Restated Certificate of Incorporation.

2. "***Founder Members***" means each of the Permitted Class C Owners on the date hereof.

3. "***LLC***" means Greenlane Holdings, LLC, a Delaware limited liability company, or any successor entities thereto.

4. "***Non-Founder Members***" means each of the holders of Common Units on the date hereof other than the Founder Members or the Corporation (or any subsidiaries of the Corporation).

5. "***Operating Agreement***" means that certain Third Amended and Restated Operating Agreement, dated as of [●], 2019, of the LLC, as such agreement may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time.

H. Subject to applicable law and the rights, if any, of the holders of any outstanding class or series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends, dividends may be declared and paid on the Class A Common Stock out of the assets of the Corporation that are by law available therefor, at such times and in such amounts as the Board of Directors in its discretion shall determine. Dividends shall not be declared or paid on the Class B Common Stock or the Class C Common Stock.

I. Subject to applicable law and the rights, if any, of the holders of any class or series of capital stock of the Corporation, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and of the preferential and other amounts, if any, to which the holders of Preferred Stock shall be entitled, the holders of all outstanding shares of Class A Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution ratably in proportion to the number of shares held by each such stockholder. Without limiting the rights of the holders of Class B Common Stock or Class C Common Stock to have their Common Units redeemed in exchange for shares of Class A Common Stock, or at the Corporation's option, cash, in accordance with the Operating Agreement (or for the consideration payable in respect of shares of Class A Common Stock in such voluntary or involuntary liquidation, dissolution or winding up), the holders of shares of Class B Common Stock or Class C Common Stock, as such, shall not be entitled to receive any assets of the Corporation in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation. A merger, consolidation, reorganization or other business combination of the Corporation with any other person or persons, or a sale of all or substantially all of the assets of the Corporation, shall not be considered to be a dissolution, liquidation or winding up of the Corporation within the meaning of this Article IV.I.

J.

1. In connection with the redemption of Common Units pursuant to the Operating Agreement, a holder of Class B Common Stock or Class C Common Stock may surrender shares of Class B Common Stock or Class C Common Stock, as applicable, to the Corporation for no consideration at any time. Following the surrender of any shares of Class B Common Stock or Class C Common Stock to the Corporation, the Corporation will take all actions necessary to retire such shares and such shares shall not be re-issued by the Corporation.

2. The following transfer restrictions described in this Article IV.J.2 are referred to as the "***Restrictions***".

    a. A holder of Class B Common Stock may transfer shares of Class B Common Stock to any transferee (other than the Corporation) only if such holder also simultaneously transfers an equal number of such holder's Common Units (as such numbers may be adjusted to reflect equitably any stock split, subdivision, combination or similar change with respect to the Class B Common Stock or Common Units) to such transferee in compliance with the Operating Agreement. In the event a holder of Class B Common Stock transfers shares of Class B Common Stock to a Permitted Class C Owner in accordance with this provision, such transferred shares will remain shares of Class B Common Stock.

    b. A holder of Class C Common Stock may transfer shares of Class C Common Stock to any Permitted Class C Owner (which does not include the Corporation) only if (i) such holder also simultaneously transfers a number of Common Units equal to one third (⅓) of the number of shares of Class C Common Stock to be transferred and (ii) the amount of such transfer of shares of Class C Common Stock is equal to three or a multiple of three (as such numbers may be adjusted to reflect equitably any stock split, subdivision, combination or similar change with respect to the Class C Common Stock or Common Units) to such transferee in compliance with the Operating Agreement. In the event a holder of Class C Common Stock transfers shares of Class C Common Stock to any transferee other than a Permitted Class C Owner in accordance with this Article IV.J.2.b, such transferred shares shall be automatically converted into shares of Class B Common Stock in accordance with Article IV.F.3.

3. Any purported transfer of shares of Class B Common Stock or Class C Common Stock in violation of the Restrictions shall be null and void. If, notwithstanding the Restrictions, a person or entity shall, voluntarily or involuntarily, purportedly become or attempt to become, the purported owner ("***Purported Owner***") of shares of Class B Common Stock or Class C Common Stock in violation of the Restrictions, then the Purported Owner shall not obtain any rights in and to such shares of Class B Common Stock or Class C Common Stock, as applicable (the "***Restricted Shares***"), and the purported transfer of the Restricted Shares to the Purported Owner shall not be recognized by the Corporation's transfer agent for such class of shares (the "***Transfer Agent***").

4. Upon a determination by the Board of Directors that a person has attempted or is attempting to transfer or to acquire Restricted Shares, or has purportedly transferred or acquired Restricted Shares, in violation of the Restrictions, the Board of Directors may take such action as it deems advisable to refuse to give effect to such attempted or purported transfer or acquisition on the books and records of the Corporation, including without limitation to cause the Transfer Agent to record the Purported Owner's transferor as the record owner of the Restricted Shares, and to institute proceedings to enjoin any such attempted or purported transfer or acquisition, or reverse any entries or records reflecting such attempted or purported transfer or acquisition.

5. The Board of Directors may, to the extent permitted by law, from time to time establish, modify, amend or rescind, by bylaw or otherwise, regulations and procedures that are consistent with the provisions of this Article IV.J for determining whether any transfer or acquisition of shares of Class B Common Stock or Class C Common Stock would violate the Restrictions and for the orderly application, administration and implementation of the provisions of this Article IV.J. Any such procedures and regulations shall be kept on file with the Secretary of the Corporation and with its Transfer Agent and shall be made available for inspection by any prospective transferee and, upon written request to the Secretary, shall be mailed to holders of shares of Class B Common Stock or Class C Common Stock, as applicable.

6. The Board of Directors shall have all powers necessary to implement the Restrictions, including without limitation the power to prohibit the transfer of any shares of Class B Common Stock or Class C Common Stock in violation thereof.

K. To the extent that any Permitted Class B Owner or Permitted Class C Owner exercises its right pursuant to the Operating Agreement to have its Common Units redeemed by the LLC in accordance with the Operating Agreement, then simultaneous with the payment of, at the Corporation's election, cash or Class A Common Stock consideration to such Permitted Class B Owner or Permitted Class C Owner by the LLC (in the case of a redemption) or the Corporation (in the case of an election by the Corporation pursuant to the Operating Agreement to effect a direct exchange with such Permitted Class B Owner or Permitted Class C Owner), the Corporation shall cancel for no consideration, as applicable, a number of shares of Class B Common Stock registered in the name of the redeeming or exchanging Permitted Class B Owner equal to the number of Common Units held by such Permitted Class B Owner that are redeemed or exchanged in such redemption or exchange transaction or a number of shares of Class C Common Stock registered in the name of the redeeming or exchanging Permitted Class C Owner equal to three (3) times the number of Common Units held by such Permitted Class C Owner. Notwithstanding the Restrictions, (i) in the event that any outstanding share of Class B Common Stock or Class C Common Stock shall cease to be held by a registered holder of Common Units, such share of Class B Common Stock or Class C Common Stock shall automatically and without further action on the part of the Corporation or any holder of Class B Common Stock or holder of Class C Common Stock be cancelled for no consideration, and the Corporation will take all actions necessary to retire such share and such share shall not be re-issued by the Corporation, (ii) in the event that any registered holder of Class B Common Stock or Class C Common Stock no longer holds an interest in a number of Common Units equal to the sum of the number of shares of Class B Common Stock and one-third (⅓) of the number of shares of Class C Common Stock registered in the name of such registered holder, the shares of Class B Common Stock or Class C Common Stock registered in the name of such holder that exceed the number of Common Units held by such holder (as described above) shall automatically and without further action on the part of the Corporation or any holder of Class B Common Stock or Class C Common Stock be cancelled for no consideration, and the Corporation will take all actions necessary to retire such shares and such shares shall not be re-issued by the Corporation, (iii) in the event that no Permitted Class B Owner owns any Common Units that are redeemable pursuant to the Operating Agreement, then all shares of Class B Common Stock will be cancelled for no consideration, and the Corporation will take all actions necessary to retire such shares and such shares shall not be re-issued by the Corporation, and (iv) in the event that no Permitted Class C Owner owns any Common Units that are redeemable pursuant to the Operating Agreement, then all shares of Class C Common Stock will be cancelled for no consideration, and the Corporation will take all actions necessary to retire such shares and such shares shall not be re-issued by the Corporation.

L. All certificates or book-entries representing shares of Class B Common Stock and Class C Common Stock, as the case may be, shall bear a legend substantially in the following form (or in such other form as the Board of Directors may determine):

> THE SECURITIES REPRESENTED BY THIS [CERTIFICATE] [BOOK-ENTRY] ARE SUBJECT TO THE RESTRICTIONS (INCLUDING RESTRICTIONS ON TRANSFER) SET FORTH IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE CORPORATION (A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE CORPORATION AND SHALL BE PROVIDED FREE OF CHARGE TO ANY STOCKHOLDER MAKING A REQUEST THEREFOR).

M. The Class B Common Stock may be issued and transferred in fractions of a share which shall entitle the holder to exercise voting rights and to have the benefit of all other rights of holders of Class B Common Stock. The Class C Common Stock may be issued and transferred in fractions of a share which shall entitle the holder to exercise voting rights and to have the benefit of all other rights of holders of Class C Common Stock. Subject to the Restrictions, holders of shares of Class B Common Stock and Class C Common Stock shall be entitled to transfer fractions thereof and the Corporation shall, and shall cause the Transfer Agent to, facilitate any such transfers, including by issuing certificates or making book entries representing any such fractional shares. For all purposes of this Amended and Restated Certificate of Incorporation (including, without limitation, Article IV.D, Article IV.I, Article IV.J, Article IV.K, this Article IV.M and Article IV.E hereof), all references to the Class B Common Stock or Class C Common Stock or any share thereof (whether in the singular or plural) shall be deemed to include references to any fraction of a share of Class B Common Stock or Class C Common Stock, respectively.

ARTICLE V.
RESERVATION OF COMMON STOCK

The Corporation shall at all times reserve and keep available out of its authorized but unissued shares or other securities of each class or series, the number of shares or securities of such class or series required to be available for issuance pursuant to the Operating Agreement; *provided* that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of any such issuance by delivery of shares of Class A Common Stock which are held in the treasury of the Corporation. The Corporation covenants that all shares of Class A Common Stock issued pursuant to the Operating Agreement will, upon issuance, be validly issued, fully paid and non-assessable.

ARTICLE VI.
RECLASSIFICATIONS, MERGERS AND OTHER TRANSACTIONS

A. The Corporation shall undertake all actions, including, without limitation, a reclassification, dividend, division or recapitalization, with respect to the shares of Class A Common Stock necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, disregarding, for purposes of maintaining the one-to-one ratio, (i) shares of Class A Common Stock issued pursuant to awards made under the Greenlane Holdings, Inc. 2019 Equity Incentive Plan, and any other stock incentive plan adopted by the Corporation from time to time, that have not yet vested thereunder, (ii) treasury stock, or (iii) Preferred Stock or other debt or equity securities (including without limitation warrants, options and rights) issued by the Corporation that are convertible or exercisable or exchangeable for Class A Common Stock (except to the extent the net proceeds from such other securities, including without limitation any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of the LLC).

B. The Corporation shall undertake all actions, including, without limitation, a reclassification, dividend, division or recapitalization, with respect to (i) the shares of Class B Common Stock necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by all Permitted Class B Owners and the number of outstanding shares of Class B Common Stock owned by all Permitted Class B Owners and (ii) the shares of Class C Common Stock necessary to maintain at all times a three-to-one ratio between the number of Common Units owned by all Permitted Class C Owners and the number of outstanding shares of Class C Common Stock owned by all Permitted Class C Owners.

C. The Corporation shall not undertake or authorize (i) any subdivision (by any stock split, stock dividend, reclassification, recapitalization or similar event) or combination (by reverse stock split, reclassification, recapitalization or similar event) of the Class A Common Stock that is not accompanied by an identical subdivision or combination of the Common Units to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock; or (ii) any subdivision (by any stock split, stock dividend, reclassification, recapitalization or similar event) or combination (by reverse stock split, reclassification, recapitalization or similar event) of the Class B Common Stock or Class C Common Stock that is not accompanied by an identical subdivision or combination of the Common Units to maintain at all times, subject to the provisions of this Amended and Restated Certificate of Incorporation, a one-to-one ratio and three-to-one ratio, respectively, between the number of Common Units owned by the Permitted Class B Owners and Permitted Class C Owners and the number of outstanding shares of Class B Common Stock and Class C Common Stock, unless, in the case of clause (i) or (ii) of this Article VI.C, such action is necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, a one-to-one ratio between the number of Common Units owned by the Permitted Class B Owners and the number of outstanding shares of Class B Common Stock and a one-to-three ratio between the number of Common Units owned by the Permitted Class C Owners and the number of outstanding shares of Class C Common Stock.

D. The Corporation shall not issue, transfer or deliver from treasury stock or repurchase shares of Class A Common Stock unless in connection with any such issuance, transfer, delivery or repurchase the Corporation takes or authorizes all requisite action such that, after giving effect to all such issuances, transfers, deliveries or repurchases, the number of Common Units owned by the Corporation will equal on a one-for-one basis the number of outstanding shares of Class A Common Stock, disregarding, for purposes of maintaining the one-to-one ratio, (i) shares of Class A Common Stock issued pursuant to awards made under the Greenlane Holdings, Inc. 2019 Equity Incentive Plan, and any other stock incentive plan adopted by the Corporation from time to time, that have not yet vested thereunder, (ii) treasury stock or (iii) Preferred Stock or other debt or equity securities (including without limitation warrants, options and rights) issued by the Corporation that are convertible or exercisable or exchangeable for Class A Common Stock (except to the extent the net proceeds from such other securities, including without limitation any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of the LLC). The Corporation shall not issue, transfer or deliver from treasury stock or repurchase or redeem shares of Preferred Stock unless in connection with any such issuance, transfer, delivery, repurchase or redemption, the Corporation takes all requisite action such that, after giving effect to all such issuances, transfers, repurchases or redemptions, the Corporation holds (in the case of any issuance, transfer or delivery) or ceases to hold (in the case of any repurchase or redemption) equity interests in the LLC which (in the good faith determination by the Board of Directors) are in the aggregate substantially equivalent in all respects to the outstanding Preferred Stock so issued, transferred, delivered, repurchased or redeemed.

E. The Corporation shall not consolidate, merge, combine or consummate any other transaction (other than an action or transaction for which an adjustment is provided in one of the preceding paragraphs of this Article VI or in Article IV) in which shares of Class A Common Stock are exchanged for or converted into other stock or securities, or the right to receive cash and/or any other property, unless in connection with any such consolidation, merger, combination or other transaction each Common Unit shall be entitled to be exchanged for or converted into (without duplication of any corresponding share of Class A Common Stock which the Corporation may elect to issue upon a redemption of such Common Unit by the holder thereof) the same kind and amount of stock or securities, cash and/or any other property, as the case may be, into which or for which each share of Class A Common Stock is exchanged or converted, in each case to maintain at all times a one-to-one ratio between (x) the stock or securities, or rights to receive cash and/or any other property issuable in such transaction in exchange for or conversion of one share of Class A Common Stock and (y) the stock or securities, or rights to receive cash and/or any other property issuable in such transaction in exchange for or conversion of one Common Unit. The foregoing provisions of this Article VI.E shall not apply to any action or transaction (including any consolidation, merger or combination) approved by the holders of a majority of the voting power of the Class A Common Stock, Class B Common Stock and Class C Common Stock, each voting as a separate class.

ARTICLE VII.
BYLAW AMENDMENTS

The Board of Directors is expressly authorized to adopt, amend and repeal the bylaws of the Corporation (the "***Bylaws***").

ARTICLE VIII.
THE BOARD OF DIRECTORS

A. Elections of the directors comprising the Board of Directors (each such director, in such capacity, a "***Director***") need not be by written ballot unless the Bylaws shall so provide.

B. Subject to the rights of the holders of any class or series of Preferred Stock to elect additional directors under specified circumstances, the number of directors which shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the Whole Board. For purposes of this Amended and Restated Certificate of Incorporation, the term "***Whole Board***" shall mean the total number of authorized directors for the Board of Directors whether or not there exist any vacancies in previously authorized directorships.

C. Except as otherwise required by law and subject to the rights of the holders of any class or series of Preferred Stock then outstanding, unless the Board of Directors otherwise determines, newly-created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from the death, resignation, retirement, disqualification, removal from office or other cause shall be filled only by a majority vote of the directors then in office and entitled to vote thereon, though less than a quorum, or by a sole remaining director entitled to vote thereon, and not by the stockholders. Any director so chosen shall hold office until the next election and until his successor shall be elected and qualified.

D. Subject to the rights of the holders of any class or series of Preferred Stock then outstanding, any directors, or the entire Board of Directors, may be removed from office at any time, with or without cause, by the affirmative vote of the holders of a majority of the voting power of the issued and outstanding stock entitled to vote at an annual or special meeting duly noticed and called in accordance with this Amended and Restated Certificate of Incorporation.

E. Advance notice of stockholder nominations for election of directors and other business to be brought by stockholders before a meeting of stockholders shall be given in the manner provided by the Bylaws.

ARTICLE IX.
STOCKHOLDER ACTION WITHOUT MEETING

Any action required or permitted to be taken by the stockholders of the Corporation must be effected by a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE X.
AMENDMENTS

A. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner, and subject to approval by stockholders as, now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; *provided* that any amendment to Article IX shall be effective only upon the affirmative vote of the holders of Common Stock and Preferred Stock then outstanding representing two-thirds or more of the votes eligible to be cast in an election of directors.

B. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any sentence of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE XI.
LIMITATION ON DIRECTOR LIABILITY

No director of the Corporation will have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended. Neither the amendment nor the repeal of this Article XI shall eliminate or reduce the effect thereof in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article XI, would accrue or arise, prior to such amendment or repeal.

ARTICLE XII.
EXCLUSIVE FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, other than any action or proceeding that, under applicable law, may only be commenced or prosecuted in another forum, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL or this Amended and Restated Certificate of Incorporation or the Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of this Amended and Restated Certificate of Incorporation or the Bylaws, or (v) any action asserting a claim against the Corporation governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XII.

[*Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by [●], its [●], on this [●] day of [●], 2019.

GREENLANE HOLDINGS, INC.

By: _____
Name:
Title:

Exhibit 3.2

SECOND AMENDED AND RESTATED BYLAWS
OF
GREENLANE HOLDINGS, INC.

ARTICLE I
STOCKHOLDERS

SECTION 1.1 *Place of Meetings.* All meetings of stockholders shall be held at such place within or outside of the State of Delaware as may be designated from time to time by the board of directors (the "Board" or the "Board of Directors") of Greenlane Holdings, Inc. (the "Corporation"), the Chief Executive Officer or the President or, if not so designated, at the registered office of the Corporation.

SECTION 1.2 *Annual Meeting*. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Board of Directors at the time and place to be fixed by the Board of Directors and stated in the notice of the meeting.

SECTION 1.3 *Special Meetings*. Special meetings of stockholders may be called at any time by the Board of Directors or the Chairman of the Board, for any purpose or purposes prescribed in the notice of the meeting and shall be held at such place, on such date and at such time as the Board may fix. Business transacted at any special meeting of stockholders shall be confined to the purpose or purposes stated in the notice of meeting, subject to the last two sentences of the first paragraph of Section 1.10.

Upon request in writing sent by registered mail to the Chief Executive Officer or the President by any stockholder or stockholders entitled to request a special meeting of stockholders pursuant to this Section 1.3, and containing the information required pursuant to Sections 1.10 and 2.15, as applicable, the Board of Directors shall determine a place and time for such meeting, which time shall be not less than 120 nor more than 130 days after the receipt of such request, and a record date for the determination of stockholders entitled to vote at such meeting shall be fixed by the Board of Directors, in advance, which shall not be more than 60 days nor less than 10 days before the date of such meeting. Following such receipt of a request and determination by the Secretary of the validity thereof, it shall be the duty of the Secretary to present the request to the Board of Directors, and upon Board action as provided in this Section 1.3, to cause notice to be given to the stockholders entitled to vote at such meeting, in the manner set forth in Section 1.4, hereof, that a meeting will be held at the place and time so determined, for the purposes set forth in the stockholder's request, as well as any purpose or purposes determined by the Board of Directors in accordance with this Section 1.3.

SECTION 1.4 *Notice of Meetings*. Written notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or as required by law (meaning here and hereafter, as required from time to time by the Delaware General Corporation Law or the Certificate of Incorporation). The notices of all meetings shall state the place, date and hour of the meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation.

SECTION 1.5 *Voting List*. The officer who has charge of the stock ledger of the Corporation shall prepare, or the Corporation shall cause its stock transfer agent to prepare and deliver to the Corporation, at least 10 days before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be inspected by any stockholder who is present. This list shall determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

SECTION 1.6 *Quorum*. Except as otherwise provided by law or these Bylaws, the holders of a majority of the shares of the capital stock of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business. If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date or time.

If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then except as otherwise required by law, those present at such adjourned meeting shall constitute a quorum, and all matters shall be determined by a majority of the votes cast at such meeting.

SECTION 1.7 *Adjournments*. Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these Bylaws by the Chairman of the meeting, or in the absence of such person by any officer entitled to preside at or to act as Secretary of such meeting, or by the holders of a majority of the shares of stock present or represented at the meeting and entitled to vote, although less than a quorum. When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than 30 days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date, and time of the adjourned meeting shall be given in conformity herewith. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

SECTION 1.8 *Voting and Proxies*. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law as in the Certificate of Incorporation.

Each stockholder of record entitled to vote at a meeting of stockholders may vote in person or may authorize any other person or persons to vote or act for him by written proxy executed by the stockholder or his authorized agent or by a transmission permitted by law and delivered to the Secretary of the Corporation. No stockholder may authorize more than one proxy for his shares. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this Section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile transmission or other reproduction shall be a complete reproduction of the entire original writing or transmission.

SECTION 1.9 *Action at Meeting*. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws: all action taken by the holders of a majority of the vote cast, excluding abstentions and any broker non-votes, at any meeting at which a quorum is present shall be valid and binding upon the Corporation; except that in a Contested Election directors shall be elected by a plurality of the votes cast. For purposes of these Bylaws, an election shall be deemed to be Contested Election if the Secretary of the Corporation has received one or more notices that a stockholder or stockholders intend to nominate a person or persons for election to the Board of Directors, which notice(s) purport to be in compliance with Section 1.10 and 2.15 of these Bylaws and all such nominations have not been withdrawn by the proposing stockholder(s) on or prior to the tenth day preceding the date the Corporation first mails its notice of meeting for such meeting to its stockholders (regardless of whether all such nominations are subsequently withdrawn and regardless of whether the Board of Directors determines that any such notice is not in compliance with Section 1.10 or 2.15 of these Bylaws).

In order for any incumbent director to become a nominee of the Board of Directors for further service on the Board of Directors, such person must submit an irrevocable resignation, contingent on (i) that person not receiving a majority of the votes cast in an election that is not a Contested Election, and (ii) acceptance of that resignation by the Board of Directors in accordance with any policies and procedures adopted by the Board of Directors for such purpose.

In any election of directors other than a Contested Election, if any nominee for director receives a greater number of "withhold" votes than votes "for" his or her election (with "abstentions" and "broker non votes" not counted as a vote cast either "for" or "against"), the Nominating and Corporate Governance Committee of the Board of Directors shall make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken.

The Nominating and Corporate Governance Committee's evaluation shall begin promptly following certification of the voting results and shall be forwarded to the Board of Directors to permit the Board of Directors to act on it no later than 90 days following the date of the stockholders' meeting. If the Board of Directors determines that resignation is in the best interests of the Corporation and its stockholders, the Board of Directors shall promptly accept the resignation. The Corporation shall publicly disclose any such decision of the Board of Directors.

All voting, including on the election of directors, but excepting where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or his or her proxy, a stock vote shall be taken. Every stock vote shall be taken by ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairman of the meeting. The Corporation may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as an alternate inspector to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath to faithfully execute the duties of inspector with strict impartiality and according to the best of his or her ability.

SECTION 1.10 *Notice of Stockholder Business*.

(a) At an annual or special meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than the nomination of a person for election as a director, which is governed by Section 1.11 or 2.15 of these Bylaws, as applicable) must be either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a stockholder who (A) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 1.10 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with this Section 1.10 as to such business. For any business to be properly brought before an annual meeting by a stockholder (other than the nomination of a person for election as a director, which is governed by Section 1.11 or 2.15 of these Bylaws, as applicable), it must be a proper matter for stockholder action under the Delaware General Corporation Law, and the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder proposal to be presented at an annual meeting shall be received at the Corporation's principal executive offices not less than 120 calendar days in advance of the first anniversary of the date that the Corporation's (or the Corporation's predecessor's) proxy statement was released to stockholders in connection with the previous year's annual meeting of stockholders, except that if no annual meeting was held in the previous year or the date of the annual meeting more than 30 calendar days earlier than the date contemplated at the time of the previous year's proxy statement, notice by the stockholders to be timely must be received not later than the close of business on the 10th day following the day on which the date of the annual meeting is publicly announced. "Public announcement" for purposes hereof shall have the meaning set forth in Section 2.15(c) of these Bylaws. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. For business to be properly brought before a special meeting by a stockholder, the business must be limited to the purpose or purposes set forth in a request under Section 1.3.

(b) A stockholder's notice to the Secretary of the Corporation shall set forth as to each matter the stockholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the text of the proposal or business, including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment, (ii) as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the proposal is being made, and any of their respective affiliates or associates or others acting in concert therewith (each, a "Proposing Person"), the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and of any other Proposing Person, (iii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at the meeting on the date of such notice and intends to appear in person or by proxy at the meeting to propose the business specified in the notice, (iv) any material interest of the stockholder and any other Proposing Person in such business, (v) the following information regarding the ownership interests of the stockholder and any other Proposing Person which shall be supplemented in writing by the stockholder not later than 10 days after the record date for voting at the meeting to disclose such interests as of such record date: (A) the class or series and number of shares of the Corporation that are owned beneficially and of record by the stockholder and any other Proposing Person; (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the stockholder of record or any other Proposing Person may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder or other Proposing Person, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or other Proposing Person has a right to vote any shares of any security of the Corporation; (D) any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such stockholder or other Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder or other Proposing Person with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation ("Short Interests"); (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder or other Proposing Person that are separated or separable from the underlying shares of the Corporation; (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or other Proposing Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; (G) any performance-related fees (other than an asset-based fee) to which such stockholder or other Proposing Person is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including, without limitation, any such interests held by members of such stockholder's or other Proposing Person's immediate family sharing the same household; (H) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder or other Proposing Person; and (I) any direct or indirect interest of such stockholder or other Proposing Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), and (vi) any other information relating to such stockholder or other Proposing Person, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder.

(c) Notwithstanding the foregoing provisions of this Section 1.10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.10; provided however, that any references in this Section 1.10 to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to proposals as to any business to be considered pursuant to this Section 1.10. Nothing in this Section 1.10 shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of preferred stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 and Rule 14a-11 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination or directors or any other business purpose.

(d) Notwithstanding any provisions to the contrary, the notice requirements set forth in subsections (a) and (b) above shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of the stockholder's intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

SECTION 1.11 *Proxy Access – Inclusion of Director Candidates in Proxy Materials*.

(a) *Proxy Access*. Subject to compliance with the terms and conditions set forth in these Bylaws, in connection with an annual meeting of stockholders, the Corporation shall include (i) in its proxy statement and form of proxy relating to such annual meeting, in addition to the persons nominated for election by the Board of Directors (or any committee thereof), the name of any person nominated for election to the Board of Directors by a record stockholder who is, or is acting on behalf of, an Eligible Stockholder (as defined in Section 1.11(e) below) pursuant to this Article I, Section 1.11 (each such nominated person, a "Stockholder Nominee" and the particular annual meeting of stockholders at which they are nominated, the "Applicable Meeting") and (ii) in its proxy statement the Required Information (as defined below) relating to each Stockholder Nominee.

(b) *Timeliness of Notice*. To nominate a potential Stockholder Nominee, a record stockholder who is, or is acting on behalf of, an Eligible Stockholder must provide a timely, written notice that expressly requests to have the proposed Stockholder Nominee included in the Corporation's proxy materials pursuant to this Article I, Section 1.11 (the "Notice of Proxy Access Nomination"). To be timely, a Notice of Proxy Access Nomination must be received by the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business (local time) on the 120th day before, nor earlier than the 150th day before, the one-year anniversary of the date on which the Corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the annual meeting in the year preceding the Applicable Meeting; provided, however, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 calendar days earlier than the date contemplated at the time of the previous year's proxy statement, then for a Notice of Proxy Access Nomination to be timely, it must be received not later than the close of business on the 10th day following the day on which a public announcement (as defined in Article II, Section 2.15 of these Bylaws) of the date of the Applicable Meeting is first made (the last day on which a Notice of Proxy Access Nomination may be timely delivered, the "Final Proxy Access Nomination Date"). In no event shall an adjournment of the Applicable Meeting, or postponement of the date scheduled for the Applicable Meeting for which notice has been given (or with respect to which there has been a Public Announcement of the date of the meeting), commence a new time period (or extend any time period) for the giving of a timely Notice of Proxy Access Nomination under this Article I, Section 1.11.

(c) *Information Included in Proxy Materials.* An Eligible Stockholder may provide to the Secretary of the Corporation a written statement for inclusion in the Corporation's proxy statement for the Applicable Meeting, not to exceed 500 words, in support of a proposed Stockholder Nominee (a "Statement"). In order to have a Statement included in the proxy statement, an Eligible Stockholder must submit the Statement to the Secretary of the Corporation at the same time that the corresponding Notice of Proxy Access Nomination is submitted to the Secretary of the Corporation. Notwithstanding anything to the contrary contained in this Article I, Section 1.11, the Corporation may omit from its proxy materials any information or Statement (or portion thereof) that it believes would violate any applicable law or regulation. Nothing in this Article I, Section 1.11 shall limit the Corporation's ability to solicit against and include in its proxy materials its own statements relating to any Stockholder Nominee.

(d) *Number of Stockholder Nominees.* The number of Stockholder Nominees included in the Corporation's proxy materials with respect to an Applicable Meeting shall not exceed the greater of (i) two (2) or (ii) twenty percent (20%) of the number of directors in office and subject to election by the holders of common stock as of the Final Proxy Access Nomination Date, or if such number is not a whole number, the closest whole number below twenty percent (20%) (the number determined pursuant to clause (i) or clause (ii) of this sentence, as applicable, and subject to reduction as provided below, the "Permitted Number"); provided, that in the event that one or more vacancies for any reason occurs on the Board of Directors at any time after the Final Proxy Access Nomination Date and before the date of the Applicable Meeting, and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith such that the number of directors subject to election by the holders of common stock is thereby reduced, the Permitted Number shall be determined based on the number of directors in office as so reduced.

The Permitted Number shall also be reduced by (i) the number of director candidates that will be included in the Corporation's proxy materials with respect to the Applicable Meeting as an unopposed (by the Board of Directors) nominee pursuant to any agreement, arrangement or other understanding with any stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of shares by such stockholder or group of stockholders from the Corporation), (ii) the number of incumbent director candidates who previously were Stockholder Nominees with respect to any of the preceding two annual meetings of stockholders and whose re-election at the upcoming annual meeting is being recommended by the Board of Directors and (iii) the number of director candidates whose names were submitted for inclusion in the Corporation's proxy materials pursuant to this Article I, Section 1.11, but who were thereafter nominated by the Board of Directors. Notwithstanding anything to the contrary contained in this Article I, Section 1.11, the Corporation shall not be required to include any Stockholder Nominees in its proxy materials pursuant to this Article I, Section 1.11 for any meeting of stockholders for which the Secretary of the Corporation receives a notice (whether or not subsequently withdrawn) that a stockholder intends to nominate one or more persons for election to the Board of Directors at the annual meeting pursuant to Article II, Section 2.15.

In the event that the number of proposed Stockholder Nominees submitted by Eligible Stockholders pursuant to this Article I, Section 1.11 exceeds the Permitted Number, each Eligible Stockholder will select one Stockholder Nominee for inclusion in the Corporation's proxy materials until the Permitted Number is reached, going in order of the amount (largest to smallest) of shares of common stock of the Corporation each Eligible Stockholder disclosed as owned in its respective Notice of Proxy Access Nomination as submitted to the Corporation. If the Permitted Number is not reached after each Eligible Stockholder has selected one Stockholder Nominee, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached. If any Stockholder Nominee who satisfies the eligibility requirements in this Article I, Section 1.11 (i) thereafter withdraws from the election (or his or her nomination is withdrawn by the applicable Eligible Stockholder) or (ii) is thereafter not submitted for director election for any reason (including the failure to comply with this Article I, Section 1.11) other than due to a failure by the Corporation to include such Stockholder Nominee in the proxy materials in violation of this Article I, Section 1.11, no other nominee or nominees shall be substituted for such Stockholder Nominee and included in the Corporation's proxy materials or otherwise submitted for director election pursuant to this Article I, Section 1.11.

(e) *Group Provisions to Determine Eligible Stockholder.* An "Eligible Stockholder" is one or more persons who own and have owned, or are acting on behalf of one or more beneficial owners who own and have owned (in each case, as defined in Article I, Section 1.11(f)), for at least three years as of the date the Notice of Proxy Access Nomination is received by the Corporation, shares representing at least the Required Shares (as defined in Section 1.11(m) below), and who continue to own the Required Shares at all times between the date the Notice of Proxy Access Nomination is received by the Corporation and the date of the Applicable Meeting; provided that the aggregate number of record stockholders and beneficial owners in a "group" whose stock ownership is counted for the purposes of satisfying the foregoing ownership requirement shall not exceed twenty (20). Whenever a group of two or more persons (including a group of funds that are part of the same Qualifying Fund (as defined in Section 1.11(m) below)) are taken together to constitute an Eligible Stockholder for purposes of this Article I, Section 1.11, then (1) the duration and nature of the share ownership criteria, and each provision in this Section 1.11 that requires the Eligible Stockholder to provide any written statements, representations, undertakings, agreements or other instruments shall be deemed to require each person (including each individual fund) that is a member of such group (other than a Custodian Holder) to meet such ownership criteria and to provide such statements, representations, undertakings, agreements or other instruments, and (2) a breach of any obligation, agreement or representation under this Section 1.11 by any member of such group (other than a Custodian Holder) shall be deemed a breach by the Eligible Stockholder. A Qualifying Fund shall be counted as one record stockholder or beneficial owner for the purpose of determining the aggregate number of record stockholders and beneficial owners in this paragraph, and treated as one person for the purpose of determining "ownership" as defined in this Article I, Section 1.11(f), provided that each fund comprising a Qualifying Fund otherwise meets the requirements set forth in this Article I, Section 1.11. No record stockholder (other than a Custodian Holder (as defined in Section 1.11(m) below)) or beneficial owner is permitted to be a member of more than one group constituting an Eligible Stockholder under this Article I, Section 1.11, and no shares may be attributed to more than one Eligible Stockholder or group constituting an Eligible Stockholder under this Article I, Section 11.1. For the avoidance of doubt, the Required Shares will qualify as such if and only if the beneficial owner of such shares has itself beneficially owned such shares continuously for the three-year period ending on the date the Notice of Proxy Access Nomination is received by the Corporation and through the other applicable dates referred to above (in addition to the other applicable requirements being met).

(f) *Definition of Ownership*. For purposes of calculating the Required Shares, "ownership" shall be deemed to consist of and include only the outstanding shares as to which a person possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (A) sold by such person or any of its affiliates in any transaction that has not been settled or closed, including any short sale, (B) borrowed by such person or any of its affiliates for any purposes or purchased by such person or any of its affiliates pursuant to an agreement to resell, or (C) subject to any option, warrant, forward contract, swap, contract of sale, or other derivative or similar instrument or agreement entered into by such person or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding shares of common stock, in any such case which instrument or agreement has, or is intended to have, or if exercised would have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such person's or its affiliates' full right to vote or direct the voting of any such shares, and/or (2) hedging, offsetting, or altering to any degree any potential gain or loss arising from the full economic ownership of such shares by such person or its affiliate. "Ownership" shall include shares held in the name of a nominee (including a Custodian Holder) or other intermediary so long as the person claiming ownership of such shares retains the right to instruct how the shares are voted with respect to the election of directors and the right to direct disposition thereof and possesses the full economic interest in the shares; provided that this provision shall not alter the obligations of a record stockholder to provide the Notice of Proxy Access Nomination. Ownership of shares shall be deemed to continue during any period (x) in which shares have been loaned if the person claiming ownership may recall such loaned shares on no more than five (5) business days' notice or (y) in which any voting power has been delegated by means of a proxy, power of attorney or other instrument or arrangement which is revocable by the person claiming ownership, at any time without condition. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings.

(g) *Contents of Notice of Proxy Access Nomination*. The Notice of Proxy Access Nomination shall set forth or be submitted with the following information and materials in writing (including, as applicable, with respect to each Eligible Stockholder, every member of any group that constitutes such Eligible Stockholder other than a Custodian Holder):

(i) with respect to each Stockholder Nominee and each Eligible Stockholder, the information identified in Article I, Section 2.15, as applicable;

(ii) the written consent of each Stockholder Nominee to being named in the Corporation's proxy materials as a nominee and to serving as a director if elected;

(iii) a copy of the Schedule 14N that has been, or concurrently is, filed with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act;

(iv) with respect to each Eligible Stockholder and its affiliates or associates or others acting in concert therewith and each Stockholder Nominee, all information as would be required to be disclosed in a solicitation of proxies for the election of such Stockholder Nominee as a director in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(v) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among the Eligible Stockholder and its or their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each of such Eligible Stockholder's Stockholder Nominee(s), and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Eligible Stockholder, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the Stockholder Nominee were a director or executive officer of such registrant; and

(vi) a completed director questionnaire signed by the Stockholder Nominee (a form of which shall be provided by the Secretary of the Corporation promptly following a request therefor).

In addition, the Notice of Proxy Access Nomination must be submitted with a signed, written agreement of the Eligible Stockholder (and each member of any group that together constitute an Eligible Stockholder other than a Custodian Holder) setting forth:

(i) a representation that the Eligible Stockholder (1) acquired ownership of the Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have such intent, (2) has not nominated and will not nominate for election to the Board of Directors at the Applicable Meeting any person other than its Stockholder Nominee(s), (3) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the Applicable Meeting other than its Stockholder Nominee(s) or other nominees of the Board of Directors, (4) will not distribute to any person any form of proxy for the Applicable Meeting other than the forms distributed by the Corporation and (5) will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading and otherwise will comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Article I, Section 1.11;

(ii) a representation that (1) within five business days after the date that the Notice of Proxy Access Nomination is sent to the Corporation, the Eligible Stockholder will provide one or more written statements from the record holder of the Required Shares (and from each intermediary through which the Required Shares are or have been held during the requisite three-year holding period) that, as of a date within seven days prior to the date that the Notice of Proxy Access Nomination was received by the Corporation, the Eligible Stockholder owns, and has owned continuously for the preceding three years, the Required Shares, (2) within five business days after the record date for determining stockholders of the Corporation entitled to vote at the Applicable Meeting, the Eligible Stockholder will provide one or more written statements from the record holder (and from each intermediary through which the Required Shares are held) verifying the Eligible Stockholder's continuous ownership of the Required Shares through such record date and (3) the Eligible Stockholder will provide immediate written notice to the Corporation if the Eligible Stockholder ceases to own any of the Required Shares prior to the convening of the Applicable Meeting;

(iii) in the case of a nomination by an Eligible Stockholder consisting of a group, the designation by all group members of one group member that is authorized to act on behalf of all members of that group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(iv) an undertaking that the Eligible Stockholder agrees to (1) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Stockholder's communications with the stockholders of the Corporation or out of the information that the Eligible Stockholder provides to the Corporation, (2) indemnify and hold harmless the Corporation and each of its directors, officers and employees against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of any nomination, solicitation or other activity by the Eligible Stockholder in connection with its efforts to elect any Stockholder Nominee pursuant to this Article I, Section 1.11, (3) file with the Securities and Exchange Commission any solicitation or other communication with the Corporation's stockholders relating to the meeting at which the Stockholder Nominee is to be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act, (4) comply with all laws and regulations applicable to any solicitation in connection with the Applicable Meeting and (5) provide to the Corporation, prior to the Applicable Meeting, such additional information as necessary or reasonably requested by the Corporation. In addition, no later than the Final Proxy Access Nomination Date, a Qualifying Fund whose stock ownership is counted for purposes of qualifying as an Eligible Stockholder must provide to the Secretary of the Corporation documentation satisfactory to the Corporation that demonstrates that the funds comprising the Qualifying Fund are (x) under common management and investment control, (y) under common management and funded primarily by a single employer or (z) a "group of investment companies," as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act.

Any information required by this Article I, Section 1.11 to be provided to the Corporation must be updated and supplemented by the Eligible Stockholder or Stockholder Nominee, as applicable, by delivery to the Secretary of the Corporation (1) no later than 10 days after the record date for determining the stockholders of the Corporation entitled to vote at the Applicable Meeting, of such information as of such record date and (2) no later than five days before the Applicable Meeting, of such information as of the date that is 10 days before the Applicable Meeting. Further, in the event that any information or communications provided (pursuant to this Article I, Section 11.1 or otherwise) by the Eligible Stockholder or the Stockholder Nominee to the Corporation or its stockholders ceases to be true and correct in any respect or omits a fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each such Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any inaccuracy or omission in any previously provided information and of the information that is required to make such information or communication true and correct. For the avoidance of doubt, the requirement to update, supplement and correct such information shall not permit any Eligible Stockholder or other person to change or add any proposed Stockholder Nominee or be deemed to cure any defects or limit the remedies (including without limitation under these Bylaws) available to the Corporation relating to any defect (including any inaccuracy or omission).

(h) *Information and Agreements from Nominees.* Upon the request of the Corporation, each Stockholder Nominee must: (i) provide an executed agreement, in a form satisfactory to the Corporation, that the Stockholder Nominee (1) has read and agrees, if elected to serve as a member of the Board of Directors, to adhere to the Corporation's Corporate Governance Guidelines and Code of Conduct and Ethics, and any other policies and guidelines of the Corporation applicable to directors (which will be provided by the Corporation following a request therefor), (2) is not and will not become a party to any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity in connection with his or her nomination, service or action as a Stockholder Nominee or as a director of the Corporation, in each case that has not been disclosed to the Corporation and (3) is not and will not become a party to any agreement, arrangement or understanding with any person or entity as to how the Stockholder Nominee would vote or act on any issue or question as a director; and (ii) provide (within five business days of the Corporation's request) such additional information as the Corporation determines may be necessary to permit the Board of Directors to determine whether or not such Stockholder Nominee (1) is independent under the rules and listing standards of the principal U.S. exchange upon which the common stock of the Corporation is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors, (2) has any direct or indirect relationship with the Corporation, other than those relationships that have been deemed categorically immaterial pursuant to the standards used by the Corporation for determining director independence, (3) would, by serving on the Board of Directors, violate or cause the Corporation to be in violation of these Bylaws, the Certificate of Incorporation, the rules or listing standards of the principal U.S. exchange upon which any class of common stock of the Corporation is listed or any applicable law, rule or regulation and (4) is or has been subject to any event specified in Item 401(f) of Regulation S-K (or successor rule) of the Securities and Exchange Commission.

(i) *Ineligibility of Certain Stockholder Nominees.* Any Stockholder Nominee who is included in the Corporation's proxy materials for a particular annual meeting of stockholders but either (i) withdraws from or becomes ineligible or unavailable for election at that annual meeting or (ii) does not receive a number of votes cast in favor of his or her election at least equal to 25% of the votes present in person or represented by proxy and entitled to vote in the election of directors, will be ineligible to be a Stockholder Nominee pursuant to this Article I, Section 1.11 for the next two annual meetings of stockholders. Any Stockholder Nominee who is included in the Corporation's proxy materials for a particular annual meeting of stockholders, but subsequently is determined not to satisfy the eligibility requirements of this Article I, Section 1.11 or any other provision of these Bylaws, the Certificate of Incorporation, the Corporation's Corporate Governance Guidelines or applicable law or regulation at any time before the Applicable Meeting, will not be eligible or qualified for election at such annual meeting of stockholders and no other nominee may be substituted by the Eligible Stockholder that nominated such Stockholder Nominee (or any other Eligible Stockholder).

(j) *Exclusion of Stockholder Nominees from Nomination and from Proxy Materials.* The Corporation shall not be required to recognize or allow the nomination of a Stockholder Nominee (notwithstanding that proxies in respect of such nominee may have been received by the Board of Directors) or to include a Stockholder Nominee in its proxy materials for any annual meeting of stockholders pursuant to this Article I, Section 1.11:

(i) who is not independent under (a) the rules or listing standards of the principal U.S. exchange upon which any class of common stock of the Corporation is listed, (b) any applicable rules of the Securities and Exchange Commission or any other regulatory body with jurisdiction over the Corporation or (c) any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation's directors, in each case as determined by the Board of Directors;

(ii) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these Bylaws, the Certificate of Incorporation, the rules or listing standards of the principal U.S. exchange upon which any class of common stock of the Corporation is listed or any applicable law, rule or regulation;

(iii) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past 10 years;

(iv) who is subject to an order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended;

(v) who is or has been, within the past three years, as officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended;

(vi) if such Stockholder Nominee or the nominating Eligible Stockholder (or any member of the underlying group) shall have provided information to the Corporation in connection with such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make any statement made, in light of the circumstances under which it was made, not misleading, as determined by the Corporation;

(vii) if the nominating Eligible Stockholder (or any member of the underlying group) or applicable Stockholder Nominee otherwise breaches or fails to comply with its representations, undertakings or obligations pursuant to these Bylaws, including, without limitation, this Article I, Section 1.11;

(viii) if the nominating Eligible Stockholder ceases to be an Eligible Stockholder for any reason, including but not limited to failure to own the Required Shares through the date of the Applicable Meeting; or

(ix) if the Stockholder Nominee is determined not to satisfy the eligibility requirements provided in the Corporate Governance Guidelines.

For the purposes of this subsection (j), the occurrence of any events or conditions contemplated by clauses (i) through (v) and (ix) or, to the extent related to a breach or failure by the particular Stockholder Nominee, clauses (vi) and (vii) will result in the ineligibility of such Stockholder Nominee to stand for election and (if the proxy statement for the Applicable Meeting has not already been filed) in the exclusion from the Corporation's proxy materials of each specific Stockholder Nominee to whom the ineligibility applies. The occurrence of any events or conditions contemplated by clause (viii) or, to the extent related to a breach or failure by the nominating Eligible Stockholder (or any member of the underlying group), clauses (vi) or (vii) that results in the shares owned by such Eligible Stockholder being excluded from the Required Shares such that such person (or group of persons) shall no longer constitute an Eligible Stockholder, will result in the ineligibility of such Stockholder Nominee to stand for election and (if the proxy statement for the Applicable Meeting has not already been filed) in the exclusion from the Corporation's proxy materials of each specific Stockholder Nominee to whom the ineligibility applies.

(k) *Attendance of Eligible Stockholder at Annual Meeting.* Notwithstanding the foregoing provisions of this Article I, Section 9, unless otherwise required by law or otherwise determined by the Chairman of the Applicable Meeting, if none of: (i) the Eligible Stockholder, (ii) a Qualified Representative (as defined below) or (iii) if the Eligible Stockholder is comprised of a group, a member of such group, appears at the Applicable Meeting to present the sponsored Stockholder Nominee(s), such nomination or nominations shall be disregarded and conclusively deemed withdrawn, notwithstanding that proxies in respect of the election of the Stockholder Nominee(s) may have been received by the Corporation.

(l) *Exclusive Method of Proxy Access.* This Article I, Section 1.11 shall be the exclusive method for stockholders to include nominees for director election in the Corporation's proxy materials.

(m) *Definitions*. As used in these Bylaws, the following terms shall have the meanings set forth below:

(i) "Custodian Holder", with respect to any Eligible Stockholder, means any broker, bank or custodian (or similar nominee) who (i) is acting solely as a nominee on behalf of a beneficial owner and (ii) does not "own" (as defined in Article I, Section 1.11) any of the shares comprising the Required Shares of the Eligible Stockholder.

(ii) "person" means, as applicable, any individual, corporation, general or limited partnership, limited liability company, joint venture, estate, association, trust or other entity or organization.

(iii) A "Qualified Representative" of an Eligible Stockholder means a person that is a duly authorized officer, manager or partner of such Eligible Stockholder or is authorized by a writing (i) executed by such Eligible Stockholder, (ii) delivered (or a reliable reproduction or electronic transmission of the writing is delivered) by such Eligible Stockholder to the Corporation prior to the taking of the action taken by such person on behalf of such Eligible Stockholder and (iii) stating that such person is authorized to act for such Eligible Stockholder with respect to the action to be taken.

(iv) A "Qualifying Fund" means two or more collective investment funds that are (i) under common management and investment control, (ii) under common management and funded primarily by a single employer or (iii) a "group of investment companies," as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940 (as amended from time to time the "Investment Company Act".

(v) "Required Information" that the Corporation will include in its proxy statement is (i) the information concerning the Stockholder Nominee and the Eligible Stockholder that the Corporation determines is required to be disclosed in the Corporation's proxy statement by the regulations promulgated under the Exchange Act and (ii) if the Eligible Stockholder so elects, a Statement.

(vi) "Required Shares" means that number of shares of common stock of the Corporation that represents at least three percent (3%) of the number of outstanding shares of common stock of the Corporation as of both (A) the most recent date for which such amount was given in any filing by the Corporation with the Securities and Exchange Commission prior to the start of the three year period ending as of the date the Notice of Proxy Access Nomination is received by the Corporation and (B) the most recent date for which such amount was given in any filing by the Corporation with the Securities and Exchange Commission prior to the date the Notice of Proxy Access Nomination is provided to the Secretary of the Corporation in accordance with Section 1.11(b).

SECTION 1.12 *Conduct of Business.* At every meeting of the stockholders, the Chairman of the Board, or, in his or her absence, the Chief Executive Officer or the President, as, in his or her absence, the person appointed by the Board of Directors, shall act as Chairman. The Secretary of the Corporation or a person designated by the Chairman of the meeting shall act as Secretary of the meeting. Unless otherwise approved by the Chairman of the meeting, attendance at the stockholders' meeting is restricted to stockholders of record, persons authorized in accordance with Section 1.8 of these Bylaws to act by proxy, and officers and directors of the Corporation.

The Chairman of the meeting shall call the meeting to order, establish the agenda, and conduct the business of the meeting in accordance therewith or, at the Chairman's discretion, it may be conducted otherwise in accordance with the wishes of the stockholders in attendance. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

The Chairman shall also conduct the meeting in an orderly manner, rule on the precedence of, and procedure on, motions and other procedural matters, and exercise discretion with respect to such procedural matters with fairness and good faith toward all those entitled to take part. The Chairman may impose reasonable limits on the amount of time taken up at the meeting on discussion in general or on remarks by any one stockholder. Should any person in attendance become unruly or obstruct the meeting proceedings, the Chairman shall have the power to have such person removed from participation. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at a meeting except in accordance with the procedures set forth in this Section 1.12 and Section 1.10 above. The Chairman of a meeting shall if the facts warrant, determine and declare to the meeting that any proposed item of business was not brought before the meeting in accordance with the provisions of this Section 1.12 and Section 1.10, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 1.13 *Stockholder Action Without Meeting.* Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE II
BOARD OF DIRECTORS

SECTION 2.1 *General Powers*. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

SECTION 2.2 *Number and Term of Office.* The number of directors shall be five (5) and, thereafter, shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

SECTION 2.3 *Vacancies and Newly Created Directorships*. Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification or other cause (including removal from office by a vote of the stockholders) may be filled only by a majority vote of the directors then in office, though less than a quorum, or by the sole remaining director and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders at which the term of office of the class to which they have been elected expires. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION 2.4 *Resignation*. Any director may resign by delivering notice in writing or by electronic transmission to the Chief Executive Officer, President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

SECTION 2.5 *Regular Meetings*. Regular meetings of the Board of Directors may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

SECTION 2.6 *Special Meetings*. Special meetings of the Board of Directors, called by the Chairman of the Board, Chief Executive Officer, President or two or more directors may be held at any time and place, within or without the State of Delaware.

SECTION 2.7 *Notice of Special Meetings*. Notice of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director by (i) giving notice to such director in person or by telephone, email or other electronic transmission or voice message system at least 24 hours in advance of the meeting, (ii) sending a facsimile, or delivering written notice by hand, to his last known business or home address at least 24 hours in advance of the meeting, or (iii) mailing written notice to his last known business or home address at least three days in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 2.8 *Participation in Meetings by Telephone Conference Calls*. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

SECTION 2.9 *Quorum*. A majority of the total number of authorized directors shall constitute a quorum at any meeting of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than 1/3 of the number so fixed constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or at a meeting of a committee which authorizes a particular contract or transaction.

SECTION 2.10 *Action at Meeting*. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Certificate of Incorporation or these Bylaws.

SECTION 2.11 *Action by Written Consent*. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee.

SECTION 2.12 *Removal*. Subject to the rights of the holders of any class or series of preferred stock then outstanding, any directors, or the entire Board of Directors, may be removed from office at any time, with or without cause, by the affirmative vote of the holders of a majority of the voting power of the issued and outstanding stock entitled to vote at an annual or special meeting duly noticed and called in accordance with the Certificate of Incorporation.

SECTION 2.13 *Committees*. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation, with such lawfully delegated powers and duties as it therefor confers, to serve at the pleasure of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the Delaware General Corporation Law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these Bylaws for the Board of Directors.

SECTION 2.14 *Compensation of Directors*. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary Corporations in any other capacity and receiving compensation for such service.

SECTION 2.15 *Nomination of Director Candidates*.

(a) Subject to the rights of holders of any class or series of preferred stock then outstanding, nominations for the election of directors at an annual meeting may be made by (i) the Board of Directors or a duly authorized committee thereof, (ii) any stockholder entitled to vote in the election of directors generally who complies with the procedures set forth in this Section 2.15 and who is a stockholder of record at the time notice is delivered to the Secretary of the Corporation or (iii) by any stockholder of record entitled to vote in the election of directors who has complied with the requirements and procedures set forth in Section 1.11 and whose nominees are included in the Corporation's proxy materials with respect to such meeting. Any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at an annual meeting only if timely notice of such stockholder's intent to make such nomination or nominations has been given in writing to the Secretary of the Corporation. To be timely, a stockholder nomination for a director to be elected at an annual meeting must be received at the Corporation's principal executive offices not less than 120 calendar days in advance of the first anniversary of the date that the Corporation's (or the Corporation's predecessor's) proxy statement was released to stockholders in connection with the previous year's annual meeting of stockholders, except that if no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's proxy statement, notice by the stockholders to be timely must be received not later than the close of business on the tenth day following the day on which public announcement of the date of such meeting is first made. Each such notice shall set forth (i) as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination is being made, and any of their respective affiliates or associates or others acting in concert therewith (each, a "Nominating Person"), the name and address, as they appear on the Corporation's books, of the stockholder who intends to make the nomination and of any other Nominating Person, (ii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote for the election of directors on the date of such notice and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (iii) the following information regarding the ownership interests of the stockholder and any other Nominating Person, which shall be supplemented in writing by the stockholder not later than 10 days after the record date for notice of the meeting to disclose such interests as of such record date: (A) the class or series and number of shares of the Corporation that are owned beneficially and of record by the stockholder and any other Nominating Person; (B) any Derivative Instrument directly or indirectly owned beneficially by such stockholder or other Nominating Person, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or other Nominating Person has a right to vote any shares of any security of the Corporation; (D) any Short Interests in any securities of the Corporation directly or indirectly owned beneficially by such stockholder or other Nominating Person; (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder or other Nominating Person that are separated or separable from the underlying shares of the Corporation; (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or other Nominating Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; (G) any performance-related fees (other than an asset-based fee) to which such stockholder or other Nominating Person is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including, without limitation, any such interests held by members of such stockholder's or other Nominating Person's immediate family sharing the same household; (H) any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder or other Nominating Person; and (I) any direct or indirect interest of such stockholder or other Nominating Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (iv) a description of all arrangements or understandings between the stockholder or other Nominating Person and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder, (v) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and any other Nominating Person, on the one hand, and each proposed nominee, and his respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, (vi) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors, and (vii) the consent of each nominee to serve as a director of the Corporation if so elected. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Notwithstanding the third sentence of this Section 2.15(a), in the event that the number of directors to be elected at an annual meeting is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the one-year anniversary of the date of the preceding year's annual meeting as first specified in the Corporation's notice of meeting (without regard to any postponements or adjournments of such meeting after such notice was first sent), a stockholder's notice required by this Section 2.15(a) shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or a committee thereof or (ii) by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Section 2.15 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as are specified in the Corporation's notice of meeting, if the stockholder's notice as required by Section 2.15(a) is delivered to the Secretary at the principal executive offices of the Corporation not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 70th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed or furnished by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(d) No stockholder, other than the stockholders requesting a special meeting pursuant to Section 1.3 of these Bylaws, shall be permitted to submit nominations at any special meeting of the stockholders requested by stockholders pursuant to Section 1.3.

(e) Notwithstanding the foregoing provisions of this Section 2.15, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.15; provided however, that any references in this Section 2.15 to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations to be considered pursuant to this Section 2.15. Nothing in this Section 2.15 shall be deemed to affect any rights of the holders of any series of preferred stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws.

(f) Only persons nominated in accordance with the procedures set forth in this Section 2.15 or Section 1.11 shall be eligible to serve as directors. Except as otherwise provided by law, the chairman of the meeting for the election of directors shall have the power and duty (i) to determine whether a nomination was made in accordance with the procedures set forth in this Section 2.15 and (ii) if any proposed nomination was not made in compliance with this Section 2.15, to declare that such nomination shall be disregarded.

SECTION 2.16 *Submission of Questionnaire, Representation and Agreement.* To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 2.15 of these Bylaws to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation publicly disclosed from time to time.

ARTICLE III
OFFICERS

SECTION 3.1 *Enumeration*. The officers of the Corporation shall be appointed by the Board of Directors and shall include a Chief Executive Officer, a Secretary, a Chief Financial Officer and such other officers with such other titles as the Board of Directors shall determine, including, at the discretion of the Board of Directors, a President, Chairman of the Board, and one or more Vice Presidents and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

SECTION 3.2 *Election*. Officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Officers may be appointed by the Board of Directors at any other meeting.

SECTION 3.3 *Qualification.* No officer need be a stockholder. Any two or more offices may be held by the same person.

SECTION 3.4 *Tenure*. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until his successor is appointed by the Board of Directors, unless a different term is specified in the vote appointing him, or until his earlier death, resignation or removal.

SECTION 3.5 *Resignation and Removal.* Any officer may resign by delivering his written resignation to the Corporation at its principal office or to the Chief Executive Officer, President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any officer may be removed at any time, with or without cause, by the Board of Directors.

SECTION 3.6 *Chairman of the Board*. The Board of Directors may appoint a Chairman of the Board. If the Board of Directors appoints a Chairman of the Board, he shall perform such duties and possess such powers as are assigned to him by the Board of Directors. Unless otherwise provided by the Board of Directors, he shall preside at all meetings of the stockholders, and, if he is a director, at all meetings of the Board of Directors.

SECTION 3.7 *Chief Executive Officer*. The Chief Executive Officer shall, subject to the provisions of these Bylaws and the direction of the Board of Directors, have responsibility for the general management, supervision, direction, and control of the business and affairs of the Corporation and over its officers, employees and agents (other than the Chairman of the Board). The Chief Executive Officer shall perform all duties and have all powers which are commonly incident to the office of the Chief Executive Officer, and any other duties and powers as may be from time to time assigned to the Chief Executive Officer by the Board of Directors, in each case subject to the control of the Board of Directors. In the absence of or because of the inability of the Chairman of the Board to act in this capacity, the Chief Executive Officer shall perform all duties of the Chairman of the Board and preside at all meetings of the Board of Directors and of stockholders. The Chief Executive Officer shall have the power to appoint and remove subordinate officers, agents and employees, except those elected or appointed by the Board of Directors. The Chief Executive Officer shall keep the Board of Directors fully informed and shall consult them concerning the business of the Corporation. The Chief Executive Officer may sign certificates for shares of the Corporation's stock and any deeds, bonds, mortgages, contracts, checks, notes, drafts, or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these Bylaws or by the Board of Directors to some other officer or agent of the Corporation, or shall be required by law to be otherwise executed.

SECTION 3.8 *President*. The President shall report and be responsible to the Chief Executive Officer. The President shall have such powers and perform such duties that are normally incident to the office of the president and such other duties as may be prescribed by the Chief Executive Officer or the Board of Directors from time to time.

SECTION 3.9 *Vice Presidents*. Any Vice President shall perform such duties and possess such powers as the Board of Directors or the President (if one is appointed) may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President and when so performing shall have at the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

SECTION 3.10 *Secretary and Assistant Secretaries*. The Secretary shall perform such duties and shall have such powers as the Board of Directors, the Chief Executive Officer or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including, without limitation, the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to keep a record of the proceedings of all meetings of stockholders and the Board of Directors, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

SECTION 3.11 *Chief Financial Officer*. Unless otherwise designated by the Board of Directors, the Chief Financial Officer shall be the Treasurer. The Chief Financial Officer shall perform such duties and shall have such powers as may from time to time be assigned to him by the Board of Directors, the Chief Executive Officer or the President. In addition, the Chief Financial Officer shall perform such duties and have such powers as are incident to the office of chief financial officer, including without limitation, the duty and power to keep and be responsible for all funds and securities of the Corporation, to maintain the financial records of the Corporation, to deposit funds of the Corporation in depositories as authorized, to disburse such funds as authorized, to make proper accounts of such funds, and to render as required by the Board of Directors accounts of all such transactions and of the financial condition of the Corporation.

SECTION 3.12 *Salaries*. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

SECTION 3.13 *Delegation of Authority*. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

ARTICLE IV
CAPITAL STOCK

SECTION 4.1 *Issuance of Stock*. Unless otherwise voted by the stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any unissued balance of the authorized capital stock of the Corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

SECTION 4.2 *Certificates of Stock*. The shares of stock of the Corporation shall be represented by certificates or one or more classes of such shares shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock, or a combination of both. If shares are represented by certificates, such certificates shall be in the form approved by the Board of Directors. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by any two authorized officers of the Corporation. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the Bylaws, applicable securities laws or any agreement among any number of shareholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

SECTION 4.3 *Transfers*. Except as otherwise established by rules and regulations adopted by the Board of Directors, and subject to applicable law, shares of stock may be transferred on the books of the Corporation: (i) in the case of shares represented by a certificate, by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or authenticity of signature as the Corporation or its transfer agent may reasonably require; and (ii) in the case of uncertificated shares, upon the receipt of proper transfer instructions from the registered owner thereof. Except as may be otherwise required by law, the Certificate of Incorporation or the Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

SECTION 4.4 *Lost, Stolen or Destroyed Certificates.* The Corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, or it may issue uncertificated shares if the shares represented by such certificate have been designated as uncertificated shares in a resolution adopted pursuant to Section 4.2, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the Corporation or any transfer agent or registrar.

SECTION 4.5 *Record Date.* The Board of Directors may fix in advance a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, concession or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than 60 or less than 10 days before the date of such meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE V
GENERAL PROVISIONS

SECTION 5.1 *Fiscal Year*. The fiscal year of the Corporation shall be as fixed by the Board of Directors.

SECTION 5.2 *Corporate Seal.* The corporate seal shall be in such form as shall be approved by the Board of Directors.

SECTION 5.3 *Waiver of Notice*. Whenever any notice whatsoever is required to be given by law, by the Certificate of Incorporation or by these Bylaws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by electronic transmission or any other method permitted under the Delaware General Corporation Law, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

SECTION 5.4 *Actions with Respect to Securities of Other Corporations* Except as the Board of Directors may otherwise designate, the Chief Executive Officer or President or any officer of the Corporation authorized by the Chief Executive Officer or President shall have the power to vote and otherwise act on behalf of the Corporation, in person or proxy, and may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact to this Corporation (with or without power of substitution) at any meeting of stockholders or shareholders (or with respect to any action of stockholders) of any other corporation or organization, the securities of which may be held by this Corporation and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of this Corporation's ownership of securities in such other corporation or other organization.

SECTION 5.5 *Evidence of Authority*. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

SECTION 5.6 *Certificate of Incorporation*. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

SECTION 5.7 *Severability*. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

SECTION 5.8 *Pronouns*. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

SECTION 5.9 *Notices*. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by telecopy or other electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law, or by commercial courier service. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. The time when such notice shall be deemed to be given shall be the time such notice is received by such stockholder, director, officer, employee or agent, or by any person accepting such notice on behalf of such person, if delivered by hand, telecopy, other electronic transmission or commercial courier service, or the time such notice is dispatched, if delivered through the mails.

SECTION 5.10 *Reliance Upon Books, Reports and Records*. Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation, including reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.

SECTION 5.11 *Time Periods*. In applying any provision of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

SECTION 5.12 *Facsimile Signatures*. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

SECTION 5.13 *Forum for Certain Actions*. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought by a stockholder on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the state of Delaware, in all cases subject to the court's having subject matter jurisdiction and personal jurisdiction over the indispensable parties named as defendants or said defendants waiving personal jurisdictional challenges. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Bylaw.

ARTICLE VI
AMENDMENTS

SECTION 6.1 *By the Board of Directors*. Except as is otherwise set forth in these Bylaws, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

SECTION 6.2 *By the Stockholders*. Except as otherwise set forth in these Bylaws, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at any annual meeting of stockholders, or at any special meeting of stockholders, provided notice of such alteration, amendment, repeal or adoption of new Bylaws shall have been stated in the notice of such special meeting.

ARTICLE VII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 7.1 *Right to Indemnification*. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, or as a controlling person of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said Law permitted the Corporation to provide prior to such amendment) against all expenses, liability and loss reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 7.2 of this Article 7, the Corporation shall indemnify any such person seeking indemnity in connection with a proceeding (or part thereof) initiated by such person only if (a) such indemnification is expressly required to be made by law, (b) the proceeding (or part thereof) was authorized by the Board of Directors of the Corporation, (c) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the Delaware General Corporation Law, or (d) the proceeding (or part thereof) is brought to establish or enforce a right to indemnification under an indemnity agreement or any other statute or law or otherwise as required under Section 145 of the Delaware General Corporation Law. The rights hereunder shall be contract rights and shall include the right to be paid expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, unless the Delaware General Corporation Law then so prohibits, the payment of such expenses incurred by a director or officer of the Corporation in his or her capacity as a director or officer (and not in any other capacity in which service was or is tendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Section or otherwise.

SECTION 7.2 *Right of Claimant to Bring Suit.* If a claim under Section 7.1 is not paid in full by the Corporation within 90 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if such suit is not frivolous or brought in bad faith, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to this Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

SECTION 7.3 *Indemnification of Employees and Agents.* The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and to the advancement of related expenses, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification of and advancement of expenses to directors and officers of the Corporation.

SECTION 7.4 *Non-Exclusivity of Rights.* The rights conferred on any person in Sections 7.1 and 7.2 shall not be exclusive of any other right which such persons may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 7.5 *Indemnification Contracts.* The Board of Directors is authorized to enter into a contract with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing for indemnification rights equivalent to or, if the Board of Directors so determines, greater than, those provided for in this Article 7.

SECTION 7.6 *Effect of Amendment.* Any amendment, repeal or modification of any provision of this Article 7 by the stockholders and the directors of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such amendment, repeal or modification.

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***ACT***"), OR UNDER THE SECURITIES LAWS OF ANY STATES IN THE UNITED STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

CONVERTIBLE PROMISSORY NOTE

Date of Note: _____

Principal Amount of Note: $ _____

For value received Greenlane Holdings, LLC, a Delaware limited liability company (the "***Company***"), promises to pay to the undersigned holder or such party's assigns (the "***Holder***") the principal amount set forth above.

1. Basic Terms.

(a) Series of Notes. This convertible promissory note (the "***Note***") is issued as part of a series of notes (collectively, the "***Notes***") pursuant to the terms of that certain Note Purchase Agreement dated as of December 21, 2018, as may be amended from time to time (the "***Purchase Agreement***"), to the persons and entities listed on the Schedule of Purchasers attached as Exhibit A to the Purchase Agreement (collectively, the " ***Holders***"). Certain defined terms used herein are contained in Section 2 and any defined term used herein but otherwise not defined shall have the meaning set forth in the Purchase Agreement.

(b) Payments. All payments of principal shall be in lawful money of the United States of America and shall be made pro rata among all Holders.

(c) Prepayment. The Company may not prepay this Note without the consent of the Majority Holders (as defined below).

(d) Consistent Tax Reporting. The parties intend that (i) the Note shall be treated as equity in the Company for U.S. federal and applicable state income tax purposes and (ii) upon the conversion of the Note into Common Stock or Preferred Stock, as applicable, the following steps shall be deemed to have occurred: (A) the Holder shall be deemed to have contributed the Note to Parent in exchange for Common Stock or Preferred Stock, as applicable, in a contribution pursuant to Section 351 of the Internal Revenue Code of 1986, as amended, and (B) Parent shall be deemed to have contributed the Note to the Company in exchange for Capital Stock of the Company. The parties will file their income tax returns and reports consistent therewith.

2. Definitions.

"***18-Month IPO Discount Rate***" means 80%.

"***18-Month Maturity Date***" means the date that falls on the 18-month anniversary of the Closing (as defined in the Purchase Agreement).

"***36-Month Maturity Date***" means the date that falls on the 36-month anniversary of the Closing (as defined in the Purchase Agreement).

"***Affiliate***" has the meaning set forth in the Purchase Agreement.

"***Capital Stock***" means the membership interests of the Company, including, without limitation, the Class A and Class B Units of the Company, and any and all outstanding membership units of the Company.

"***C-Corp Restructuring***" means the restructuring of the Company utilizing an up-C structure with Parent on substantially the terms set forth on Exhibit A attached hereto or otherwise.

"***Common Stock***" means the common stock offered by Parent or any Affiliate of the Company in an Initial Public Offering of the Company, currently expected to be Class A common stock of Parent.

"***Conversion Date***" means: (1) in the case of a conversion pursuant to Section 3(b), the Maturity Date; or (2) in the case of a conversion pursuant to Section 3(c), the closing date of the Financing.

"***Conversion Date Capitalization***" means the number of shares of Capital Stock (on an as-converted basis) outstanding as of immediately prior to the Conversion Date, assuming exercise or conversion of all outstanding vested and unvested options, warrants, profits interests, phantom profits interests and other convertible securities, but excluding: (i) Capital Stock reserved and available for future grant under any equity incentive or similar plan; (ii) this Note and the other Notes; and (iii) other convertible promissory notes.

"***Deemed Interest***" means 8% per annum simple interest.

"***Deemed Liquidation Event***" means a merger or consolidation (other than one in which members of the Company own a majority by voting power of the outstanding securities of the surviving or acquiring corporation) and a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company.

"***Exempt Issuance***" has the meaning set forth on Exhibit B attached hereto.

"***Initial Public Offering***" means the closing of the first firm commitment underwritten initial public offering of Common Stock pursuant to a registration statement filed under the Securities Act.

"***IPO Conversion Price***" means (1) in the case of an Initial Public Offering that closes within eighteen (18) months after the Closing, the price determined by multiplying (x) the price per share at which the shares of Common Stock are sold to the public by the underwriters for the Initial Public Offering, as set forth on the cover page of the final prospectus for the Initial Public Offering, by (y) the 18-Month IPO Discount Rate; or (2) in the case of an Initial Public Offering that closes any time after the 18-month anniversary of the Closing, the price determined by multiplying (x) the price per share at which the shares of Common Stock are sold to the public by the underwriters for the Initial Public Offering, as set forth on the cover page of the final prospectus for the Initial Public Offering, by (y) the Post-18 Month IPO Discount Rate; *provided, however*, that in no event shall the IPO Conversion Price result in a pre-money valuation of the Parent in excess of $1,000,000,000 (USD).

"***Liquidation Event***" means (i) a Deemed Liquidation Event, (ii) a Stock Sale or (iii) any other liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

"***Major Holder***" means each Holder holding at least $5,000,000 in principal aggregate amount of outstanding Note(s).

"***Majority Holders***" means the Holder(s) who collectively own 50% or more of the aggregate principal amount of the Notes then-outstanding.

"***Mandatory Conversion Price***" means the price per share determined by dividing the Valuation Cap by the Conversion Date Capitalization.

"***Material Debt Obligation***" means an agreement, indenture or instrument under which the Company has indebtedness for borrowed money of $1,000,000 or more in the aggregate at the time outstanding.

"***Maturity Date***" means either the 18-Month Maturity Date or the 36-Month Maturity Date, as applicable.

"***Maturity Date Extension Letter***" means written notice provided by the Majority Holders to the Company at least sixty (60) days prior to the 18-Month Maturity Date irrevocably electing to extend the 18-Month Maturity Date to the 36-Month Maturity Date.

"***New Securities***" means, collectively, equity securities of the Issuer, whether or not currently authorized, as well as rights, interests, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

"***Parent***" shall mean Greenlane Holdings, Inc. or another Affiliate of the Company that lists its capital stock on a national securities exchange as part of an Initial Public Offering or otherwise becomes the parent company of the Company through the C-Corp Restructuring.

"***Post-18 Month IPO Discount Rate***" means 75%.

"***Preferred Stock***" means the Preferred Stock of Parent having those rights, privileges, preferences and restrictions in all material respects as set forth on Exhibit B attached hereto.

"***Redemption Amount***" means the amount of proceeds received by any existing member or other holder of equity securities of the Company from this Note and any of the other Notes issued pursuant to the Purchase Agreement.

"***Redemption Shares***" means, for any existing member or other holder of equity securities of the Company that receives any Redemption Amount, the number of shares of Capital Stock to be redeemed by the Company from such equity holder in connection with any conversion of the Notes for equity securities, which amount shall equal the quotient of (i) the aggregate Redemption Amount received by such equity holder, by (ii) in the case of the conversion of the Notes in connection with an Initial Public Offering, the price per share at which the Common Stock is sold in the Initial Public Offering, or otherwise the per share price of equity of Parent issued to such equity holder as part of the conversion of the equity holder's existing membership interests or other equity securities exchanged in such conversion.

"***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"***Series Preferred Agreements***" means each of the definitive documents to be entered into by and among the Company and the Purchasers related to the future conversion of the Notes into Preferred Stock of Parent, including but not limited to any Amended and Restated Certificate of Incorporation, Investors' Rights Agreement, First Refusal and Co-Sale Agreement and Voting Agreement.

"***Stock Sale***" means a transaction or series of related transactions in which a person, or a group of related persons, acquires from members of the Company equity representing more than 50% of the outstanding voting power of the Company.

"***Valuation Cap***" means $500,000,000 (USD).

3. Conversion.

(a) Conversion Upon Initial Public Offering. If there is an Initial Public Offering prior to each of the Maturity Date and the date of any conversion of this Note pursuant to Section 3(c), then this Note will automatically convert into a number of shares of Common Stock equal to the principal amount of the Note divided by the IPO Conversion Price, rounded down to the nearest whole share.

(b) Maturity Date Conversion. If this Note has not been converted pursuant to Section 3(a) or Section 3(c) or there has not been a Liquidation Event prior to the 18-Month Maturity Date, then (i) on or prior to the 18-Month Maturity Date, the Company shall effectuate the C-Corp Restructuring, including the filing of the Amended and Restated Certificate with the Secretary of State of the State of Delaware; and (ii) on the 18-Month Maturity Date, the Company shall automatically convert the Notes into Preferred Stock, subject to the terms contained in the Series Preferred Documents, which shall be entered into by and among the Company and each of the Holders within three (3) business days following the 18-Month Maturity Date; *provided, however*, that in the event that the Majority Holders deliver to the Company a Maturity Date Extension Letter, then (i) the 18-Month Maturity Date shall be extended to the 36-Month Maturity Date for all Holders of outstanding Notes (and such Holders shall have no right to object to the extension of the Maturity Date), (ii) the Notes shall not automatically convert into shares of Preferred Stock until the 36-Month Maturity Date and (iii) the Company shall not be required to effect the C-Corp Restructuring until the 36-Month Maturity Date. On the applicable Maturity Date, this Note will automatically convert into a number of shares of Preferred Stock equal to the principal amount plus Deemed Interest accrued from the date of issuance of the Note through such conversion date divided by the Mandatory Conversion Price, rounded down to the nearest whole share. Upon the conversion of this Note into shares of Preferred Stock pursuant to this Section 3(b), each of the Company and the Holder shall release and deliver its signature pages to the Series Preferred Agreements to the other. The Company covenants that, unless the Majority Holders have delivered to the Company a Maturity Date Extension Letter in accordance with this Section 3(b), the Company shall deliver drafts of the Series Preferred Agreements to each Major Holder at least forty-five (45) days prior to the applicable Maturity Date in an effort to finalize the Series Preferred Agreements prior to the applicable Maturity Date. Upon conversion of this Note pursuant to this Section 3(b), the Series Preferred Agreements shall be in full force and effect.

(c) Optional Conversion Upon Other Financings. In the event that (i) the Company issues and sells its Capital Stock, (ii) the Company effectuates the C-Corp Restructuring and issues and sells any capital stock of Parent (collectively, with Capital Stock, the "***New Capital Stock***"), or (iii) the Company or any of its Affiliates issues convertible promissory notes ("***New Convertible Notes***") to investors (the "***Investors***") in a private placement (a "***Financing***") at any time while this Note is outstanding, in each case excluding the issuance of any Exempt Issuance, then the Holder shall have the option (but not the obligation) to (i) with respect to a Financing involving the sale of Capital Stock, convert this Note into a number of shares or other units of such New Capital Stock equal to the principal amount plus Deemed Interest accrued from the date of issuance of the Note through such conversion date divided by the lower of (A) the price per share or unit of the New Capital Stock paid by the Investors in such Financing, and (B) the price per share or unit determined by dividing the Valuation Cap by the Conversion Date Capitalization, in each case, rounded down to the nearest whole share or unit, or (ii) with respect to a Financing involving the sale of New Convertible Notes, exchange this Note for a principal amount of New Convertible Notes in an amount equal to the principal amount of this Note plus Deemed Interest accrued from the date of issuance of the Note through such exchange date. Except as otherwise specified in this Section 3(c), the issuance of New Capital Stock or New Convertible Notes, as applicable, pursuant to this Section 3(c) shall be upon and subject to the same terms and conditions applicable to the New Capital Stock or New Convertible Notes sold in such Financing, as applicable.

(d) Procedure for Conversion. In connection with any conversion of this Note, the Holder shall surrender this Note to the Company (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement reasonably acceptable to the Company whereby the Holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and deliver to the Company any documentation reasonably requested by the Company (including, in the case of a Financing, executed financing documents in the form executed by the Investors in connection with such Financing). The Company shall not be required to issue or deliver the Common Stock, Capital Stock, New Capital Stock or New Convertible Notes, as applicable, into which this Note may convert until the Holder has surrendered this Note to the Company (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement reasonably acceptable to the Company whereby the Holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and delivered to the Company any such documentation. The Company covenants that all shares of Common Stock, Capital Stock or New Capital Stock, as applicable, issued upon conversion of this Note will, upon issuance, be fully paid and non-assessable and free from all taxes, liens and charges caused or created by the Company with respect to the issue thereof.

(e) Redemption Upon Conversion. In the event that any Redemption Amount is distributed to any existing member or holder of equity securities of the Company, such member or equity holder shall surrender the Redemption Shares to the Company as a result of the conversion of this Note for equity securities and deliver to the Company any documentation reasonably requested by the Company to effect such redemption. The Company shall update its books and records, including the registry of Capital Stock to reflect the surrender of the Redemption Shares as provided herein.

4. Liquidation Event. In the event of a Liquidation Event prior to the Note having been paid in full or converted as provided herein, then all principal outstanding under the Note and Deemed Interest accrued from the date of issuance of the Note through such Liquidation Event shall be repaid in an amount equal to 120% of such then-outstanding principal and 100% of the Deemed Interest amount under the Note as of immediately prior to the closing date of the Liquidation Event.

5. Events of Default.

(a) If there shall be any Event of Default (as defined below) hereunder, at the option and upon the declaration of the Majority Holders, this Note shall accelerate and all principal amounts shall become due and payable. The occurrence of any one or more of the following shall constitute an "***Event of Default***":

(i) the Company files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;

(ii) an involuntary petition is filed against the Company (unless such petition is dismissed or discharged within 60 days under any bankruptcy statute now or hereafter in effect), or a custodian, receiver, trustee or assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of the Company;

(iii) the Company defaults in its performance of any material covenant under this Note or the Purchase Agreement and any such default shall remain uncured or unremedied for a period of thirty (30) days from the date the Company receives written notice from any holder of a Note of the occurrence thereof; *provided, however*, with respect to any such default that is capable of being cured or remedied, but cannot be cured or remedied within such 30-day period after expenditure by the Company of reasonable efforts to effect such cure, the Company shall have an additional reasonable period of time to cure or remedy such default (not to exceed an additional 30 days); provided further, however, that no such cure periods shall apply to any default by the Company of Section 3(a) hereof;

(iv) an event of default under any other current or future Material Debt Obligation of the Company occurs and continues for a period of at least 60 days;

(v) suspension of usual business of the Company for a period of 60 consecutive days; or

(vi) any one or more money judgments, writs or warrants of attachment, executions or similar processes involving an aggregate amount in excess of $250,000 entered against the Company and the same is not paid, dismissed, bonded, vacated, stayed or discharged within 60 days.

6. Information Rights; Covenants.

(a) Delivery of Financial Statements. The Company shall deliver to each Major Holder and each other Holder holding at least $1,000,000 in principal aggregate amount of outstanding Note(s):

(i) as soon as practicable, but in any event within 120 days after the end of each fiscal year of the Company: (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined below) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants of nationally recognized standing selected by the Company;

(ii) as soon as practicable, but in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time ("***GAAP***") (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(iii) as soon as practicable, but in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company, a statement showing all outstanding membership interests, including any class of such membership interests, profits interests or phantom profits interests and securities convertible into or exercisable for membership interests, profits interests or phantom profits interests, outstanding at the end of the period, and any other equity of the Company, if any, all in sufficient detail as to permit the Holder to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(iv) as soon as practicable before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "***Budget***"), approved by the Company's Managing Member, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company; and

(v) with respect to the financial statements called for in Section 6(a)(i) and 6(a)(ii), an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were (i) prepared in accordance with GAAP, applied in a manner materially consistent with prior periods (except as otherwise set forth in Subsection 6(a)(i) and (ii) fairly present the financial condition of the Company and its results of operation for the periods specified therein.

If, for any period, the Company has any Affiliate whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such Affiliates.

Notwithstanding anything else in this Section 6(a) to the contrary, the Company may cease providing the information set forth in this Section 6(a) during the period starting with the date 30 days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 6(a) shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

(b) Inspection. The Company shall permit the Holder, at the Holder's expense and upon no less than 10 days prior notice to the Company, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Holder; *provided, however*, that the Company shall not be obligated pursuant to this Section 6(b) to provide access to any information that it reasonably and in good faith considers to be a trade secret or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

(c) Termination of Information Rights. The rights set forth in Section 6(a) and Section 6(b) shall terminate upon the conversion of this Note.

(d) Confidentiality. The Holder agrees that it will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Note, unless such confidential information: (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 6(d) by the Holder); (b) is or has been independently developed or conceived by the Holder without use of the Company's confidential information; or (c) is or has been made known or disclosed to the Holder by a third party without a breach of any obligation of confidentiality such third party may have to the Company; *provided*, *however*, that a Holder may disclose confidential information: (i) to its attorneys, accountants, consultants, registered investment adviser or sub-adviser (or any employee, representative, attorney, accountant or consultant of such Person) and other professionals solely to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective transferee of the Note, if such prospective transferee agrees to be bound by the provisions of this Section 6(d); (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of the Holder in the ordinary course of business, provided that such existing or prospective Holder informs such person that such information is confidential and directs such person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, regulation, rule, court order or subpoena (including of any securities exchange or market), provided that the Holder promptly, to the extent permitted by law, notifies the Company of such disclosure and furnishes only that portion of the confidential information that is legally compelled or is otherwise legally required to be disclosed, as reasonably determined by the Holder's legal counsel, including the in-house legal counsel of the Holder; *provided, however*, that no such notice of disclosure shall be required in connection with any routine or periodic examination or similar process by any regulatory or self-regulatory body or authority not specifically directed at the Company or the confidential information obtained from the Company pursuant to the terms of this Note, including, without limitation, quarterly or annual reports that are required by law.

(e) Related Party Transactions. Without the prior written consent of the Majority Holders, neither the Company nor any subsidiary of the Company shall enter into any transaction that would be reportable by the Company pursuant to Item 404 of Regulation S-K under the Securities Act if the Company had a class of securities registered under Section 12(b) or 12(g) under the Securities Exchange Act of 1934, as amended.

(f) Notice of Litigation. The Company shall promptly provide to each Holder of Notes written notice of any action, suit or proceeding commenced against the Company or any subsidiary of the Company in which a claim or series of related claims is alleged for which the plaintiff(s) are seeking damages from the Company or any such subsidiary in an amount equal to or greater than $5 million.

(g) Debt Incurrence. Without the prior written consent of the Majority Holders, neither the Company nor any subsidiary of the Company shall incur any new indebtedness in a principal amount in excess of $75,000,000 in the aggregate at any time outstanding (the "**Debt Cap**"); *provided*, *however*, that the following shall not constitute the incurrence of new indebtedness for purposes of this Section 6(g) and such amounts incurred shall not be counted against the Debt Cap: (i) any refinancing of indebtedness that was outstanding prior to the Closing (as defined in the Purchase Agreement); (ii) borrowings under any existing line of credit, credit agreement or similar instrument that was entered into prior to the Closing (including re-borrowing any amounts that have been repaid under such agreements or instruments); and (iii) the issuance of New Convertible Notes in accordance with Section 3(c).

(h) Dividends and Distributions. Without the prior written consent of the Majority Holders, neither the Company nor any subsidiary of the Company shall declare and pay dividends or make distributions in respect of Capital Stock; *provided*, *however*, that notwithstanding anything to the contrary herein, no consent of the Majority Holders shall be required in connection with (i) the distribution of any Redemption Amount to any existing member or holder of equity securities of the Company or (ii) distributions to members or holders of equity securities of the Company in amounts sufficient to satisfy such members' or holders' applicable federal, state and local income tax liability with respect to the income and gain allocated to such member or holder.

7. Right of First Refusal; IPO Participation Rights.

(a) Right of First Offer. Subject to the terms and conditions of this Section 7 and applicable securities laws, if the Company and / or Parent (or any of its Affiliates) (collectively, the "***Issuer***") proposes to offer or sell any New Securities (other than pursuant to an Exempt Issuance), the Issuer shall first offer such New Securities to each Major Holder.

(i) The Issuer shall give notice (the "***Offer Notice***") to each Major Holder, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(ii) By notification to the Issuer within 10 days after the Offer Notice is given, each Major Holder may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion of shares that such Major Holder would be entitled to receive upon conversion of all outstanding Notes at such time of the issuance of New Securities pursuant to the terms of the Note then held by such Major Holder divided by the total equity of the Issuer then outstanding (assuming full conversion and / or exercise, as applicable, of all equity interests, including any profits interests, convertible debt and other convertible securities then outstanding. The closing of any sale pursuant to this Section 7(a) shall occur within the later of 90 days of the date that the Offer Notice is given and the date of initial sale of New Securities.

(iii) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in this Section 7(a), the Issuer may, during the 90-day period following the expiration of the periods provided in Section 7(a)(ii), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Issuer does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within 30 days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Section 7(a).

(iv) The right of first offer in this Section 7(a) shall not be applicable to: (i) securities issued in an Exempt Issuance; and (ii) shares of Common Stock issued in an IPO.

(b) IPO Participation Right. Subject to (i) compliance at the time with all applicable securities laws and regulations and (ii) any determination by the managing underwriter(s) of the IPO that the exercise of such right would not be seriously detrimental to such offering or the aftermarket performance of the Company's Common Stock, the Company will use commercially reasonable efforts to cause the managing underwriter(s) of the IPO to provide each Major Holder on the same terms, including the price per share, and subject to the same conditions, as are applicable to all other purchasers in the IPO, the option to purchase a number of shares of Common Stock being issued in the IPO equal to fifty percent (50%) of the dollar amount of the Note originally purchased by such Major Holder divided by the price per share of the Common Stock in the IPO, rounded down to the next whole share. All offers to be made to the Major Holders shall be conducted in compliance with all applicable federal and state securities laws and regulations, including, without limitation, Rule 134 of the Securities Act, and all applicable rules and regulations promulgated by the Securities and Exchange Commission, FINRA and other applicable self-regulating or quasi-public regulatory organizations. Notwithstanding the foregoing, each Major Holder shall comply with all requirements and procedures required by the managing underwriter or underwriters of the IPO of all purchasers participating in a directed share program. This Section 7(b) does not constitute an offer to sell securities of the Company. Any offering of shares of the Common Stock in the IPO will only be made pursuant to a prospectus filed with the Securities and Exchange Commission.

(c) Termination. The covenants set forth in Section 7 shall terminate and be of no further force or effect: (i) immediately after the conversion of the Note into equity in accordance with the terms of this Note; or (ii) upon the closing of a Liquidation Event, whichever event occurs first:

8. Miscellaneous Provisions.

(a) Market Standoff. Each Holder hereby agrees that such Holder shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (including the Notes and, if applicable, shares of the Preferred Stock) held immediately before the effective date of the registration statement for the Initial Public Offering held by such Holder during the 180-day period following the effective date of the Initial Offering (the "***Lock-up Period***"). The foregoing provisions of this Section 7(a) shall: (A) apply only to the Initial Public Offering; (B) not apply to the sale of any shares of Common Stock to an underwriter pursuant to an underwriting agreement, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value; *provided, however*, that the foregoing restrictions shall not apply, in the case of a Holder that is an entity, to the transfer of any shares to an Affiliate of such Holder or any of the Holder's stockholders, members, partners or other equity holders, provided that such Affiliate, stockholder, member, partner or other equity holder agrees to be bound in writing by the restrictions set forth herein and no public disclosure or filing under the Exchange Act by any party to the transfer (the Holder, Affiliate, stockholder, member, partner or other equity holder) shall be required, or made voluntarily, during the Lock-up Period; and (C) be applicable to the Holder only if all executive officers and directors and stockholders individually owning more than 1% of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all Notes) are subject to the same restrictions. The underwriters in connection with such Initial Public Offering are intended third-party beneficiaries of this Section 7(a) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Initial Public Offering that are consistent with this Section 7(a) or that are reasonably requested to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Company stockholders that are subject to such agreements, based on the number of shares subject to such agreements.

(b) Waivers. The Company hereby waives demand, notice, presentment, protest and notice of dishonor. The Company shall pay all costs of collection when incurred, including reasonable attorneys' fees, costs and other expenses.

(c) Further Assurances. The Holder agrees and covenants that at any time and from time to time the Holder will promptly execute and deliver to the Company such further instruments and documents and take such further action as the Company may reasonably require in order to carry out the full intent and purpose of this Note and to comply with state or federal securities laws or other regulatory approvals.

(d) Transfers of Notes. This Note shall not be transferred or assigned, by operation of law or otherwise, by either party without the prior written consent of the other; *provided, however*, that this Note may be assigned without the Company's consent by the Holder to any Affiliate of such Holder. This Note may be transferred in accordance with this Section 7(d) only upon its surrender to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount shall be issued to, and registered in the name of, the transferee.

(e) Amendment and Waiver. Any term of this Note may be amended or waived only with the prior written consent of the Company and the Majority Holders; *provided, however*, that (i) any such amendment or waiver approved by the Majority Holders must apply to all outstanding Notes in the same fashion and (ii) no amendment or waiver shall change the principal amount of this Note or this subsection 7(e)(ii) without the written consent of the Holder. Upon the effectuation of such waiver or amendment in conformance with this paragraph, such amendment or waiver shall be effective as to, and binding against the holders of, all of the Notes, and the Company shall promptly give written notice thereof to the Holder if the Holder has not previously consented to such amendment or waiver in writing; provided that the failure to give such notice shall not affect the validity of such amendment or waiver.

(f) Governing Law. This Note shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

(g) Binding Agreement. The terms and conditions of this Note shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Note, expressed or implied, is intended to confer upon any third party any rights, remedies, obligations or liabilities under or by reason of this Note, except as expressly provided in this Note.

(h) Counterparts. This Note may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(i) Titles and Subtitles. The titles and subtitles used in this Note are used for convenience only and are not to be considered in construing or interpreting this Note.

(j) Notices. All notices and other communications given or made pursuant to this Note shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (i) personal delivery to the party to be notified, (ii) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on the signature page, or to such e-mail address, facsimile number or address as subsequently modified by written notice given in accordance with this Section 7(j).

(k) Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party under this Note, upon any breach or default of any other party under this Note, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Note, or any waiver on the part of any party of any provisions or conditions of this Note, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Note or by law or otherwise afforded to any party, shall be cumulative and not alternative. This Note shall be void and of no force or effect in the event that the Holder fails to remit the full principal amount to the Company on the date of this Note.

(l) Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

[Signature pages follow]

The parties have executed this **Convertible Promissory Note** as of the date first noted above.

COMPANY:

GREENLANE HOLDINGS, LLC

By: _____

Name: Aaron LoCascio
Title: Chief Executive Officer

E-mail: aaron@gnln.com

Address: 6501 Park of Commerce Blvd., Suite 200
Boca Raton, FL 33487

SIGNATURE PAGE TO
GREENLANE HOLDINGS, LLC
CONVERTIBLE PROMISSORY NOTE

The parties have executed this **Convertible Promissory Note** as of the date first noted above.

HOLDER (if an entity):

Name of Holder: _____

By: _____

Name: _____
Title: _____

E-mail: _____

Address: _____

HOLDER (if an individual):

Name of Holder: _____

Signature: _____

E-mail: _____

Address: _____

EXHIBIT A

PRINCIPAL TERMS OF UP-C STRUCTURE

In connection with the Company's restructuring utilizing the Up-C structure prior to the issuance of the Series A Preferred Stock, the Company and Parent will enter into the following agreements containing the following terms:

1. Greenlane Operating Agreement

Parent will operate its business through the Company and its subsidiaries. In connection with the completion of this reorganization, Parent and the members of the Company will enter into Greenlane Holdings, LLC's Third Amended and Restated Operating Agreement (the "Greenlane Operating Agreement"). The operations of the Company, and the rights and obligations of the holders of the Company's membership units (the "Common Units"), will be set forth in the Greenlane Operating Agreement.

Appointment as Manager. Under the Greenlane Operating Agreement, Parent will become a member and the sole manager of the Company. As the manager, Parent will be able to control all of the day-to-day business affairs and decision-making of the Company without the approval of any other member, unless otherwise stated in the Greenlane Operating Agreement. As such, Parent, through its officers and directors, will be responsible for all operational and administrative decisions the Company and the day-to-day management of the Company's business. Pursuant to the terms of the Greenlane Operating Agreement, Parent cannot be removed as the sole manager of the Company by the other members.

Compensation. Parent will not be entitled to compensation for its services as the manager. Parent will be entitled to reimbursement by the Company for all fees and expenses incurred on behalf of the Company, including all expenses associated with this reorganization and maintaining its corporate existence.

Capitalization. The Greenlane Operating Agreement will provide for a single class of membership units for the existing members of the Company, which will be the "Common Units" and, initially, a single class of preferred membership units that will track the preference terms of the Series A Preferred Stock ("Preferred Units"). The Greenlane Operating Agreement will reflect a split of Common Units and Preferred Units such that one Preferred Unit can be acquired by Parent for each share of Series A Preferred Stock issued upon the conversion of the Notes. Each Common Unit and Preferred Unit will entitle the holder to a pro rata share of the net profits and net losses and distributions of the Company.

Distributions. The Greenlane Operating Agreement will require "tax distributions," as that term is defined in the Greenlane Operating Agreement, to be made by the Company to its "members," as that term is defined in the Greenlane Operating Agreement. Tax distributions will be made at least annually to each member of the Company, including Parent, based on such member's allocable share of the taxable income of the Company and at a tax rate equal to the highest effective marginal combined federal, state and local income tax rate applicable to corporate or individual taxpayers that may potentially apply to any member for the relevant period taking into account (i) any deductions pursuant to Section 199A of the U.S. Internal Revenue Code of 1986 (the "Code"), and (ii) the character of the relevant tax items (e.g., ordinary or capital), as Parent, as the sole manager of the Company, reasonably determines. For this purpose, the taxable income of the Company, and Parent's allocable share of such taxable income, shall be determined without regard to any tax basis adjustments that result from its deemed or actual purchase of Common Units or Preferred Units from the members. The tax rate used to determine tax distributions will apply regardless of the actual final tax liability of any such member. Tax distributions will also be made only to the extent all distributions from the Company for the relevant period were otherwise insufficient to enable each member to cover its tax liabilities as calculated in the manner described above. The Greenlane Operating Agreement will also allow for distributions to be made by the Company to its members on a pro rata basis out of "distributable cash," as that term is defined in the Greenlane Operating Agreement. Parent expects that the Company may make distributions out of distributable cash periodically to the extent permitted by the agreements governing its indebtedness and as required by the Company for its capital and other needs, such that Parent in turn are able to make dividend payments, if any, to the holders of its Class A common stock and Series A Preferred Stock.

Common Unit Redemption Right. The Greenlane Operating Agreement provides a redemption right to the members which entitles them to have their Common Units redeemed, at the election of each such person, for, at Parent's option, newly-issued shares of its Class A common stock on a one-to-one basis or, after Parent's initial public offering of Class A common stock, a cash payment equal to the five-day average volume weighted average market prices of one share of Class A common stock for each Common Unit redeemed (subject to customary adjustments, including for stock splits, stock dividends and similar events affecting the Class A common stock). If Parent decides to make a cash payment, the member has the option to rescind its redemption request within a specified time period. Upon the exercise of the redemption right, the redeeming member will surrender its Common Units to the Company for cancellation. The Greenlane Operating Agreement requires that Parent contributes cash or shares of its Class A common stock to the Company in exchange for an amount of Common Units in the Company that will be issued to Parent equal to the number of Common Units redeemed from the member. The Company will then distribute the cash or shares of Parent's Class A common stock to such member to complete the redemption. In the event of such election by a member, Parent may, at its option, effect a direct exchange by it of cash or its Class A common stock for such Common Units in lieu of such a redemption. Whether by redemption or exchange, Parent will be obligated to ensure that at all times the number of Common Units that it owns equals the number of shares of Class A common stock issued by it (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities).

Issuance of Common Units upon Exercise of Options or Issuance of Other Equity Compensation. Parent may implement guidelines to provide for the method by which shares of Class A common stock may be exchanged or contributed between Parent and the Company (or any subsidiary thereof), or may be returned to Parent upon any forfeiture of shares of Class A common stock, in either case in connection with the grant, vesting and/or forfeiture of compensatory equity awards granted by Parent, including under Parent's 2019 Equity Incentive Plan, for the purpose of ensuring that the relationship between Parent and its subsidiaries remains at arm's-length.

Maintenance of one-to-one ratio of shares of Class A common stock and Common Units owned by Parent. Parent's amended and restated certificate of incorporation and the Greenlane Operating Agreement will require that Parent and the Company, respectively, at all times maintain (i) a ratio of one Common Unit owned by Parent for each share of Class A common stock issued by Parent (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities), (ii) a one-to-one ratio between the number of shares of Class B common stock owned by the non-founder members and the number of Common Units owned by the non-founder members, (iii) a three-to-one ratio between the number of shares of Class C common stock owned by the founder members and the number of Common Units owned by the founder members or their affiliates and (iv) and a ratio of one Preferred Unit owned by Parent for each share of Series A Preferred Stock issued by Parent.

Transfer Restrictions. The Greenlane Operating Agreement generally will not permit transfers of Common Units by members, subject to limited exceptions or written approval of the transfer by the manager. Any transferee of Common Units must execute the Greenlane Operating Agreement and any other agreements executed by the holders of Common Units and relating to such Common Units in the aggregate.

Dissolution. The Greenlane Operating Agreement will provide that the decision of the manager, with the approval of the holders of a majority of the outstanding Common Units, will be required to voluntarily dissolve the Company. In addition to a voluntary dissolution, the Company will be dissolved upon a change of control transaction under certain circumstances, as well as upon the entry of a decree of judicial dissolution or other circumstances in accordance with Delaware law. Upon a dissolution event, the proceeds of a liquidation will be distributed in the following order: (i) first, to pay all expenses of winding up the Company; (ii) second, to pay all debts and liabilities and obligations of the Company. All remaining assets of the Company will be distributed to the holders of the Common Units pro-rata in accordance with their respective percentage ownership interests in the Company (as determined based on the number of Common Units held by a member relative to the aggregate number of all outstanding Common Units) and (iii) third, to pay Parent as the holder of the Preferred Units the liquidated preferences required to be paid on the Series A Preferred Stock.

Confidentiality. Each member will agree to maintain the confidentiality of the Company's confidential information. This obligation excludes information independently obtained or developed by the members, information that is in the public domain or otherwise disclosed to a member, in either such case not in violation of a confidentiality obligation or disclosures required by law or judicial process or approved by us.

Indemnification and Exculpation. The Greenlane Operating Agreement will provide for indemnification for all expenses, liabilities and losses reasonably incurred by any person by reason of the fact that such person is or was a member or is or was serving at the request of the Company as the manager, an officer, an employee or an agent of the Company; *provided, however*, that there will be no indemnification for actions made not in good faith or in a manner which the person did not reasonably believe to be in or not opposed to the best interests of the Company, or, with respect to any criminal action or proceeding other than by or in the right of the Company, where the person had reasonable cause to believe the conduct was unlawful, or for breaches of any representations, warranties or covenants by such person or its affiliates contained in the Greenlane Operating Agreement or in other agreements with the Company.

Parent, as the manager, and its affiliates, will not be liable to the Company, its members or their affiliates for damages incurred by any acts or omissions as the manager, provided that the acts or omissions of these exculpated persons are not the result of fraud, intentional misconduct, knowing violations of law, or breaches of the Greenlane Operating Agreement or other agreement with the Company.

Amendments. The Greenlane Operating Agreement may be amended with the consent of the holders of a majority in voting power of the outstanding Common Units; provided that if the manager holds greater than 33% of the Common Units, then it may be amended with the consent of the manager together with holders of a majority of the outstanding Common Units, excluding Common Units held by the manager. Notwithstanding the foregoing, no amendment to any of the provisions that expressly require the approval or action of certain members, including Parent as the holder of the Preferred Units, may be made without the consent of such members and no amendment to the provisions governing the authority and actions of the manager or the dissolution of the Company may be amended without the consent of the manager.

2. Tax Receivable Agreement

Parent expects to obtain an increase in its share of the tax basis of the assets of the Company when a member receives cash or shares of its Class A common stock in connection with a redemption or exchange of such member's Common Units for Class A common stock or cash (such basis increase, the "Basis Adjustments"). Parent intends to treat such acquisition of Common Units as a direct purchase by Parent of Common Units or net capital assets from a member for U.S. federal income and other applicable tax purposes, regardless of whether such Common Units are surrendered by a member to the Company for redemption or sold to Parent upon the exercise of its election to acquire such Common Units directly. Basis Adjustments may have the effect of reducing the amounts that Parent would otherwise pay in the future to various tax authorities. The Basis Adjustments may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the transactions described above, Parent will enter into the Tax Receivable Agreement with the Company and the members. The Tax Receivable Agreement will provide for the payment by Parent to such persons of 85% of the amount of tax benefits, if any, that Parent actually realizes, or in some circumstances are deemed to realize, as a result of the transactions described above, including increases in the tax basis of the assets of the Company arising from such transactions, and tax basis increases attributable to payments made under the Tax Receivable Agreement and deductions attributable to imputed interest and other payments of interest pursuant to the Tax Receivable Agreement. The Company will have in effect an election under Section 754 of the Code effective for each taxable year in which a redemption or exchange of Common Units for shares of Parent's Class A common stock or cash occurs. These Tax Receivable Agreement payments will not be conditioned upon any continued ownership interest in either the Company or Parent by any member. The rights of each member under the Tax Receivable Agreement will be assignable by each member with Parent's consent, which Parent may not unreasonably withhold, so long as the assignee joins as a party to the Tax Receivable Agreement. Parent expects to benefit from the remaining 15% of tax benefits, if any, that it may actually realize.

The actual Basis Adjustments, as well as any amounts paid to the members under the Tax Receivable Agreement, will vary depending on a number of factors, including:

- the timing of any subsequent redemptions or exchanges — for instance, the increase in any tax deductions will vary depending on the fair value, which may fluctuate over time, of the depreciable or amortizable assets of the Company at the time of each redemption or exchange;

- the price of shares of Parent's Class A common stock at the time of redemptions or exchanges — the Basis Adjustments, as well as any related increase in any tax deductions, is directly related to the price of shares of Parent's Class A common stock at the time of each redemption or exchange;

- the extent to which such redemptions or exchanges are taxable — if a redemption or exchange is not taxable for any reason, increased tax deductions will not be available; and

- the amount and timing of Parent's income — the Tax Receivable Agreement generally will require Parent to pay 85% of the tax benefits as and when those benefits are treated as realized under the terms of the Tax Receivable Agreement. If Parent does not have taxable income, Parent generally will not be required (absent a change of control or other circumstances requiring an early termination payment) to make payments under the Tax Receivable Agreement for that taxable year because no tax benefits will have been actually realized. However, any tax benefits that do not result in realized tax benefits in a given taxable year will likely generate tax attributes that may be utilized to generate tax benefits in previous or future taxable years. The utilization of any such tax attributes will result in payments under the Tax Receivable Agreement.

For purposes of the Tax Receivable Agreement, cash savings in income and franchise tax will be computed by comparing Parent's actual income and franchise tax liability to the amount of such taxes that Parent would have been required to pay had there been no Basis Adjustments and had the Tax Receivable Agreement not been entered into. The Tax Receivable Agreement will generally apply to each of Parent's taxable years, beginning with the first taxable year ending after the completion of this reorganization. There is no maximum term for the Tax Receivable Agreement; however, the Tax Receivable Agreement may be terminated by Parent pursuant to an early termination procedure that requires Parent to pay the members an agreed upon amount equal to the estimated present value of the remaining payments to be made under the agreement (calculated based on certain assumptions, including regarding tax rates and utilization of the Basis Adjustments).

The payment obligations under the Tax Receivable Agreement will be obligations of Parent and not of the Company. Although the actual timing and amount of any payments that may be made under the Tax Receivable Agreement will vary, the Company expects that the payments that Parent may be required to make to the members could be substantial. Any payments made by Parent to members under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to Parent or to the Company and, to the extent that Parent is unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by Parent.

The Tax Receivable Agreement will provide that if (i) Parent materially breaches any of its material obligations under the Tax Receivable Agreement, (ii) certain mergers, asset sales, other forms of business combination, or other changes of control were to occur, or (iii) Parent elects an early termination of the Tax Receivable Agreement, then its obligations, or its successor's obligations, under the Tax Receivable Agreement would accelerate and become due and payable, based on certain assumptions, including an assumption that Parent would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result, (i) Parent could be required to make cash payments to the members that are greater than the specified percentage of the actual benefits Parent ultimately realizes in respect of the tax benefits that are subject to the Tax Receivable Agreement, and (ii) if Parent elects to terminate the Tax Receivable Agreement early, it would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, Parent's obligations under the Tax Receivable Agreement could have a material adverse effect on its liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combination, or other changes of control. There can be no assurance that Parent will be able to finance its obligations under the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that Parent determines. If any such position is subject to a challenge by a taxing authority the outcome of which would reasonably be expected to materially affect a recipient's payments under the Tax Receivable Agreement, then Parent will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of each member that directly or indirectly owns at least 10% of the outstanding Common Units. Parent will not be reimbursed for any cash payments previously made to any member pursuant to the Tax Receivable Agreement if any tax benefits initially claimed by Parent are subsequently challenged by a taxing authority and ultimately disallowed. Instead, in such circumstances, any excess cash payments made by Parent to a member will be netted against any future cash payments that it might otherwise be required to make under the terms of the Tax Receivable Agreement. However, Parent might not determine that it has effectively made an excess cash payment to the members for a number of years following the initial time of such payment and, if Parent's tax reporting positions are challenged by a taxing authority, Parent will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. As a result, it is possible that Parent could make cash payments under the Tax Receivable Agreement that are substantially greater than its actual cash tax savings.

Payments are generally due under the Tax Receivable Agreement within a specified period of time following the filing of Parent's tax return for the taxable year with respect to which the payment obligation arises, although interest on such payments will begin to accrue at a rate of LIBOR plus 100 basis points from the due date (without extensions) of such tax return. Any late payments that may be made under the Tax Receivable Agreement will continue to accrue interest at LIBOR plus 500 basis points until such payments are made, including any late payments that Parent may subsequently make because it did not have enough available cash to satisfy its payment obligations at the time at which they originally arose.

Registration Rights Agreement

In connection with the reorganization, Parent intends to enter into the Registration Rights Agreement with the Company's members. The Registration Rights Agreement will provide the members who are party to the Registration Rights Agreement the right, at any time from and after 180 days following the date of Parent's subsequent initial public offering of its Class A common stock, to require Parent to register under the Securities Act the resale of the shares of Class A common stock issuable to the Company's members upon redemption or exchange of their Common Units, including on a short-form registration statement, if and when Parent is eligible to utilize such registration statement. The Registration Rights Agreement will also provide for piggyback registration rights for such members in certain circumstances. Parent shall not be required to register the resale of the shares of Class A common stock issuable to the Company's members upon redemption or exchange of their Common Units to the extent that such shares of Class A common stock are eligible for resale under Rule 144 without volume or manner-of-sale restrictions.

EXHIBIT B

SUMMARY OF PREFERRED STOCK TERMS

Issuer:	● Greenlane Holdings, Inc. ("**Parent**").
Dividends:	● Parent shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of Parent (other than dividends on shares of Common Stock payable in shares of Common Stock) unless the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock, in an amount equal to the amount payable on the shares of Common Stock into which such share of Preferred Stock is convertible.
Liquidation Preference:	● In the event of any liquidation, dissolution or winding up of Parent ("**Dissolution Event**"), the proceeds shall be paid as follows: (i) first, to the Preferred Stock the greater of (i) one times the applicable Original Purchase Price (plus any declared and unpaid dividends) (the "**Liquidation Preference**") or (ii) the amount that the Preferred Stock would receive on an as-converted basis; and (ii) next, the balance of any proceeds shall be distributed pro rata to holders of Common Stock. The "**Original Purchase Price**" shall mean the price per share at which the Preferred Stock is issued at the Valuation Cap. ● A merger or consolidation (other than one in which stockholders of Parent own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) and a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of Parent will be treated as a Dissolution Event (a "**Deemed Liquidation Event**"), thereby triggering payment of the Liquidation Preference described above. The entitlement of the Preferred Stock to the Liquidation Preference shall not be abrogated or diminished in the event part of the consideration is subject to escrow in connection with a Deemed Liquidation Event.
Voting Rights:	The Preferred Stock shall vote together with the Common Stock on an as-converted basis, and not as a separate class, except as otherwise provided herein.
Fundamental Protective Provisions:	In addition to any other vote or approval required under Parent's Amended and Restated Certificate of Incorporation (the "**Certificate**") or Bylaws, Parent will not, without the written consent of the holders of at least 51% of the Preferred Stock voting together as a single class on an issued and outstanding basis (the "**Requisite Holders**"), either directly or by amendment, merger, consolidation, or otherwise: (1) liquidate, dissolve or wind-up the business and affairs of Parent, effect any merger or consolidation that results in conversion of the Preferred Stock other than in accordance with the Certificate or any other Deemed Liquidation Event, or consent to any of the foregoing;

(2) amend, alter or repeal any provision of the Certificate or Bylaws or the governing documents of any subsidiary of Parent in a manner that adversely affects the powers, preferences or rights of the Preferred Stock;

(3) create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of Parent, the payment of dividends and rights of redemption, or increase or decrease the authorized number of shares of any series of Preferred Stock or increase or decrease the authorized number of shares of any additional class or series of capital stock of Parent unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of Parent and the payment of dividends and rights of redemption;

(4) (i) reclassify, alter or amend any existing security of Parent that is pari passu with the Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of Parent, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Preferred Stock in respect of any such right, preference, or privilege, or (ii) reclassify, alter or amend any existing security of Parent that is junior to the Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of Parent, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Preferred Stock in respect of any such right, preference or privilege; or

(5) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of Parent prior to the Preferred Stock other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein; (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for Parent or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof; or (iv) as approved by Parent's Board of Directors (the "**Board**").

Optional Conversion:

● The Preferred Stock initially converts 1-to-1 to Common Stock of Parent at any time at the option of the holder, subject to adjustments for stock dividends, splits, combinations and similar events and as described below under "Anti-Dilution Provisions."

Mandatory Conversion:

● The Preferred Stock shall automatically convert into shares of Common Stock of Parent (i) upon the consummation by Parent of an IPO or (ii) upon the consent of the holders of a majority of the outstanding shares of Preferred Stock.

Anti-Dilution Provisions:

● In the event that Parent issues additional securities at a purchase price less than the then-current Preferred Stock conversion price, such conversion price shall be subject to a customary broad-based weighted-average anti-dilution adjustment (the "**Weighted-Average Adjustment**").

Notwithstanding the foregoing, the following issuances will not trigger the Weighted-Average Adjustment (each, an "**Exempt Issuance**"):

(1) shares of Common Stock, options or convertible securities issuable upon conversion of any of the shares of Preferred Stock, or as a dividend or distribution on the Preferred Stock.

(2) shares of Common Stock, options or convertible securities issued upon the conversion of any debenture, option, or other convertible security;

(3) shares of Common Stock, options or convertible securities issuable upon a stock split, stock dividend, split-up, or any subdivision of shares of Common Stock;

(4) shares of Common Stock or options issued or issuable to employees or directors of, or consultants or advisors to, Parent or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board;

(5) shares of Common Stock, options or convertible securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board; or

(6) shares of Common Stock, options or convertible securities issued in strategic transactions where the purpose of the issuance is other than to raise capital, including, without limitation, as consideration pursuant to the acquisition of another corporation or other entity by Parent by merger, purchase of substantially all of the assets or other reorganization, provided that such issuances are approved by the Board.

- **INVESTORS' RIGHTS AGREEMENT**

Registration Rights:

Registrable Securities:

- All shares of Common Stock issuable upon conversion of the Preferred Stock will be deemed "**Registrable Securities**."

Demand and Piggyback Registration Rights:

- Customary demand and piggyback registration rights, including demand registration after three years from Closing (or 180 days following an IPO), up to two registration statements filed on Form S-3 in any given year, and piggyback rights, subject to customary cutbacks.

Lock-up:

- The holders of Preferred Stock shall agree in connection with the IPO, if requested by the managing underwriter, not to sell or transfer any shares of Common Stock of Parent (excluding shares acquired in or following the IPO) for a period of up to 180 days following the IPO (provided all directors and executive officers of Parent and 1% stockholders agree to the same lock-up).

Termination:

- Upon the earliest to occur of: (i) a Deemed Liquidation Event, (ii) when all of the shares of a holder of Preferred Stock are eligible to be sold without restriction under Rule 144 or (iii) the fifth anniversary of the IPO.

- No future registration rights may be granted without consent of the holders of majority of the Registrable Securities unless subordinate to the rights of the holders of Preferred Stock.

Financial Information:

- Major Holders shall receive standard information rights, including (i) audited financial reports within 120 days after the end of the fiscal year, (ii) quarterly unaudited financial reports within 45 days after the end of each of the first three quarters, (iii) a capitalization table within 45 days after the end of each of the first three quarters and (iv) annual budget and business plan as soon as practicable before the end of each fiscal year, as well as standard inspection rights.

- "**Major Holder**" means any Investor that, individually or together with such investor's affiliates, purchases at least $1 million aggregate principal amount of Notes.

- **VOTING AGREEMENT**

Drag Along:

Subject to customary exceptions, in the event that (i) the Board and (ii) the holders of a majority of the then outstanding shares of Common Stock (including those issued or issuable upon conversion of the shares of Preferred Stock) approve a Sale of Parent in writing, each holder of Preferred Stock and Common Stock will agree to approve the proposed sale, subject to customary exclusions.

A "**Sale of Parent**" shall mean either: (a) a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of Parent shares representing more than 50% of the outstanding voting power of Parent (a "**Stock Sale**"); or (b) a transaction that qualifies as a "**Deemed Liquidation Event**".

Exhibit 10.1

REORGANIZATION AGREEMENT

Dated as of [ ], 2019

TABLE OF CONTENTS

REORGANIZATION AGREEMENT

THIS REORGANIZATION AGREEMENT (this "Agreement"), dated as of _____, 2019, by and among Greenlane Holdings, Inc., a Delaware corporation ("Pubco"), Greenlane Holdings, LLC, a Delaware limited liability company (the "Company"), and the members of the Company listed on the signature pages hereto (each a "Member" and collectively, the "Members").

RECITALS

WHEREAS, the Board of Directors of Pubco (the "Board") has determined to effect an underwritten initial public offering (the "IPO") of Pubco's Class A Common Stock (as defined below);

WHEREAS, the parties hereto desire to effect the Transactions (as defined below) in contemplation of the IPO; and

WHEREAS, in connection with the IPO, the applicable parties hereto intend to enter into the Transactions.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"Business Day" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by applicable law to close.

"Class A Common Stock" shall mean Class A Common Stock, par value $0.01 per share, of Pubco, having the rights set forth in the Amended and Restated Certificate of Incorporation.

"Class B Common Stock" shall mean Class B Common Stock, par value $0.0001 per share, of Pubco, having the rights set forth in the Amended and Restated Certificate of Incorporation.

"Class C Common Stock" shall mean Class C Common Stock, par value $0.0001 per share, of Pubco, having the rights set forth in the Amended and Restated Certificate of Incorporation.

"Common Unit" shall mean a Common Unit of the Company, having the rights set forth in the Amended and Restated Operating Agreement.

"Convertible Notes" shall mean the $48.25 million aggregate principal amount of the Company's Convertible Promissory Notes that were issued pursuant to the Note Purchase Agreement dated as of December 21, 2018 among the Company and the investors named therein.

"Effective Time" means the date and time on which the Registration Statement becomes effective.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Existing Certificate of Incorporation" means the Certificate of Incorporation of Pubco, as filed with the Secretary of State of the State of Delaware on May 2, 2018.

"Existing Company LLC Agreement" means the Second Amended and Restated Limited Liability Company Operating Agreement of the Company, dated as of February 20, 2018, as amended by Amendment No. 1 to the Second Amended and Restated Limited Liability Company Operating Agreement effective December 19, 2018, by the Members as the sole members of the Company.

"Founder Members" means the Members listed on Schedule A to this Agreement.

"IPO Closing" means the initial closing of the sale of the Class A Common Stock in the IPO.

"IPO Price Per Share" means the per share public offering price for the Class A Common Stock.

"Non-Founder Members" means the Members listed on Schedule B to this Agreement.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, estate, joint venture, governmental authority or other entity.

"Pricing" means such date and time as the Board or the pricing committee thereof determines to price the IPO.

"Registration Statement" means the registration statement on Form S-1 (File No. 333-_____) filed by Pubco under the Securities Act with the SEC to register the IPO.

"Reorganization Documents" means the Amended and Restated Certificate of Incorporation, the Amended and Restated By-laws, the Amended and Restated Operating Agreement, the Registration Rights Agreement, the Tax Receivable Agreement, the 2019 Equity Incentive Plan and all other agreements and documents entered into in connection with the Transactions.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

1.2 Terms Defined Elsewhere in this Agreement. Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
2019 Equity Incentive Plan	2.2(c)
Agreement	Preamble
Amended and Restated Bylaws	2.1(b)
Amended and Restated Certificate of Incorporation	2.1(a)
Amended and Restated Operating Agreement	2.1(c)
Board	Recitals
Common Unit Redemption Agreement	2.2(d)
Common Unit Subscription Agreement	2.2(e)
Company	Preamble
e-mail	4.3
IPO	Recitals
Proceeds	2.2(e)
Pubco	Preamble
Registration Rights Agreement	2.2(a)
Reorganization Transactions	2.1
Tax Receivable Agreement	2.2(e)
Transactions	2.2(b)

1.3 Other Definitional and Interpretative Provisions. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, and Schedules are to Articles, Sections, and Schedules of this Agreement unless otherwise specified. All Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. The Reorganization Documents referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.

ARTICLE II
THE REORGANIZATION

2.1 Reorganization Transactions. Subject to the terms and conditions hereinafter set forth, and on the basis of and in reliance upon the representations, warranties, covenants and agreements set forth herein, the parties hereto shall take the actions described in this Section 2.1 (each, a "Reorganization Transaction" and, collectively, the "Reorganization Transactions"), which shall be effective as of immediately after the Effective Time:

(a) Filing of Amended and Restated Certificate of Incorporation. Pubco shall adopt and file with the Secretary of State of the State of Delaware an amended and restated certificate of incorporation of Pubco, substantially in the form filed as Exhibit 3.1 to the Registration Statement (the "Amended and Restated Certificate of Incorporation").

(b) Adoption of Amended and Restated By-laws. The Board shall adopt amended and restated by-laws of Pubco, substantially in the form filed as Exhibit 3.2 to the Registration Statement (the "Amended and Restated By-laws").

(c) Adoption of Amended and Restated Operating Agreement. The Company and the Members shall execute and deliver the Third Amended and Restated Operating Agreement of the Company, substantially in the form filed as Exhibit 10.3 to the Registration Statement (the "Amended and Restated Operating Agreement").

(d) Issuance of Class B Common Stock to Non-Founder Members. In connection with the filing of the Amended and Restated Certificate of Incorporation, each of the Non-Founding Members shall execute and deliver to Pubco a subscription letter substantially in the form of Exhibit A hereto to subscribe for and purchase for a purchase price of $0.0001 per share, the number of shares of Class B Common Stock set forth opposite the name of each Non-Founder Member on Schedule B hereto, and Pubco shall accept such subscriptions and agree to issue such shares to the Non-Founder Members at the effective time of the Amended and Restated Operating Agreement.

(e) Issuance of Class C Common Stock to Founder Members. In connection with the filing of the Amended and Restated Certificate of Incorporation, each of the Founder Members shall execute and deliver to Pubco a subscription letter substantially in the form of Exhibit B hereto to subscribe for and purchase for a purchase price of $0.0001 per share, the number of shares of Class C Common Stock set forth opposite the name of each Founder Member on Schedule A hereto, and Pubco shall accept such subscriptions and agree to issue such shares to the Founder Members at the effective time of the Amended and Restated Operating Agreement. At the time of issuance of the shares of Class C Common Stock to the Founder Members, all of the issued and outstanding common stock of Pubco, if any, held by the Founder Members pursuant to the Existing Certificate of Incorporation shall be cancelled.

2.2 Other Transactions. Simultaneously with the Reorganization Transactions set forth above, the parties hereto shall, in connection therewith, take the following actions described in this Section 2.2 and the IPO (together with the Reorganization Transactions, the "Transactions" and each a "Transaction"):

(a) Registration Rights Agreement. In connection with the issuance of Class B Common Stock, Class C Common Stock and Common Units to the Members as provided in Section 2.1, the Members, the Company and Pubco shall enter into that certain Registration Rights Agreement, substantially in the form filed as Exhibit 10.2 to the Registration Statement (the "Registration Rights Agreement").

(b) Tax Receivable Agreement. In connection with the issuance of Class B Common Stock, Class C Common Stock and Common Units to the Members as provided in Section 2.1, Pubco and the Members shall enter into that certain Tax Receivable Agreement, substantially in the form filed as Exhibit 10.4 to the Registration Statement (the "Tax Receivable Agreement").

(c) 2019 Equity Incentive Plan. Pubco shall adopt, and each of the Members, as stockholders of Pubco hereby approve, the 2019 Greenlane Holdings, Inc. Equity Incentive Plan, substantially in the form filed as Exhibit 10.9 to the Registration Statement (the "2019 Equity Incentive Plan").

(d) Redemption of Common Units of Members in IPO. Each of the Members shall agree to redeem the number of Common Units necessary to meet such Member's obligations for the sale of Class A Common Stock pursuant to the Underwriting Agreement, including shares of Common Stock to be sold upon the exercise of the underwriters' over-allotment option, and Pubco shall agree to issue and deliver shares of Class A Common Stock upon such redemptions, each pursuant to the terms of the Common Unit Redemption Agreement dated as of the date hereof, among the Members, the Company and Pubco substantially in the form of Exhibit C hereto (the "Common Unit Redemption Agreement").

(e) Issuance of Common Units to Pubco. Pubco shall use the net proceeds (after payment of all underwriting discounts and commissions in connection with the IPO) from the sale by Pubco of Class A Common Stock in the IPO (the "Proceeds") to purchase from the Company pursuant to the terms of the Common Unit Subscription Agreement dated the date hereof, between the Company and Pubco, substantially in the form of Exhibit D hereto (the "Common Unit Subscription Agreement"), a number of Common Units equal to the number of shares of Class A Common Stock sold by Pubco in the IPO. Upon receipt of the Proceeds from Pubco, the Company shall issue to Pubco the number of Common Units set forth in the immediately preceding sentence.

(f) Issuance of Class A Common Stock to Settle Convertible Notes. Pubco shall issue to the holders of the Convertible Notes shares of Class A Common Stock in connection with the automatic conversion of the Convertible Notes and in consideration of the subsequent contribution of the Convertible Notes to the Company by Pubco, the Company shall issue to Pubco of a number of Common Units equal to the number of shares of Class A Common Stock issued by Pubco to the holders of the Convertible Notes, each pursuant to the terms of the Common Unit Subscription Agreement.

2.3 Consent to Transactions.

(a) Each of the parties hereto hereby acknowledges, agrees and consents to all of the Transactions. Each of the parties hereto shall take all reasonable action necessary or appropriate in order to effect, or cause to be effected, to the extent within its control, each of the Transactions and the IPO.

(b) The parties hereto shall deliver to each other, as applicable, prior to or at the Effective Time, each of the Reorganization Documents to which it is a party, together with any other documents and instruments necessary or appropriate to be delivered in connection with the Transactions.

2.4 No Liabilities in Event of Termination; Certain Covenants.

(a) In the event that the IPO is abandoned or, unless the Board, the Company and the Members otherwise agree, the IPO Closing has not occurred by _____, 2019, (a) this Agreement shall automatically terminate and be of no further force or effect except for this Section 2.4 and Sections 4.1, 4.2, 4.3, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11 and 4.12 and (b) there shall be no liability on the part of any of the parties hereto, except that such termination shall not preclude any party from pursuing judicial remedies for damages and/or other relief as a result of the breach by the other parties of any representation, warranty, covenant or agreement contained herein prior to such termination.

(b) In the event that this Agreement is terminated for any reason after the consummation of any Transaction, but prior to the consummation of all of the Transactions, the parties agree, as applicable, to cooperate and work in good faith to execute and deliver such agreements and consents and amend such documents and to effect such transactions or actions as may be necessary to re-establish the rights, preferences and privileges that the parties hereto had prior to the consummation of the Transactions, or any part thereof, including, without limitation, voting any and all securities owned by such party in favor of any amendment to any organizational document and in favor of any transaction or action necessary to re-establish such rights, powers and privileges and causing to be filed all necessary documents with any governmental authority necessary to reestablish such rights, preferences and privileges.

(c) For the avoidance of doubt, each party hereto acknowledges and agrees that until the consummation of the Transactions: (i) the parties hereto shall not receive or lose any voting, governance or similar rights in connection with this Agreement or the Transactions and (ii) the rights of the parties hereto under the Existing Company LLC Agreement shall not be effected.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. Each party hereto hereby represents and warrants to all of the other parties hereto as follows:

(a) The execution, delivery and performance by such party of this Agreement and of the applicable Reorganization Documents, to the extent a party thereto, has been or prior to the Effective Time will be duly authorized by all necessary action. If such party is not an individual, such party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization or incorporation;

(b) Such party has or prior to the Effective Time will have the requisite power, authority, legal right and, if such party is an individual, legal capacity, to execute and deliver this Agreement and each of the Reorganization Documents, to the extent a party thereto, and to consummate the transactions contemplated hereby and thereby, as the case may be;

(c) This Agreement and each of the Reorganization Documents to which it is a party has been (or when executed will be) duly executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing; and

(d) Neither the execution, delivery and performance by such party of this Agreement and the applicable Reorganization Documents, to the extent a party thereto, nor the consummation by such party of the transactions contemplated hereby, nor compliance by such party with the terms and provisions hereof, will, directly or indirectly (with or without notice or lapse of time or both), (i) if such party is not an individual, contravene or conflict with, or result in a breach or termination of, or constitute a default under (or with notice or lapse of time or both, result in the breach or termination of or constitute a default under) the organizational documents of such party, (ii) constitute a violation by such party of any existing requirement of law applicable to such party or any of its properties, rights or assets or (iii) require the consent or approval of any Person, except, in the case of clauses (ii) and (iii), as would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of such party to consummate the transactions contemplated by this Agreement.

ARTICLE IV
MISCELLANEOUS

4.1 Amendments and Waivers. This Agreement may be modified, amended or waived only with the written approval of Pubco, the Company, and each of the Members; provided, however, that any modification, amendment or waiver that would affect any other party hereto in a manner materially and disproportionately adverse to such party shall be effective against such party so materially and adversely affected only with the prior written consent of such party, such consent not to be unreasonably withheld or delayed. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. Notwithstanding anything to the contrary in this Section 4.1, nothing in this Section 4.1 shall be deemed to contradict the provisions of Section 2.4 hereof.

4.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

4.3 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and not received by automated response). All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt. All such notices, requests and other communications to any party hereunder shall be given to such party as follows:

If to Pubco or the Company addressed to it at:

1095 Broken Sound Parkway, Suite 300
Boca Raton, Florida 33487
Attention: Aaron LoCascio, Chief Executive Officer
Douglas Fischer, General Counsel
E-mail: aaron@gnln.com
dfischer@gnln.com

With copies (which shall not constitute notice) to:

Pryor Cashman LLP
7 Times Square
New York, New York 10036
Attention: Jeffrey C. Johnson
Eric M. Hellige
Facsimile: (212) 326-0806
E-mail: jjohnson@pryorcashman.com
ehellige@pryorcashman.com

If to a Member, to the address of such Member set forth on the signature page hereto.

4.4 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

4.5 Entire Agreement. Except as otherwise expressly set forth herein, this Agreement, together with the Reorganization Documents, embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

4.6 Governing Law. This Agreement shall be governed in all respects by the laws of the State of Delaware, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State.

4.7 Jurisdiction. The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby (whether brought by any party or any of its affiliates or against any party or any of its affiliates) shall be brought in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 4.3 shall be deemed effective service of process on such party.

4.8 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

4.9 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

4.10 Enforcement. Each party hereto acknowledges that money damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement are not performed in accordance with its terms, and it is therefore agreed that in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof.

4.11 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile, e-mail or .pdf format signature(s).

4.12 Expenses. Unless otherwise provided in the Reorganization Documents, all costs and expenses incurred in connection with the negotiation and execution of this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such cost or expense.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GREENLANE HOLDINGS, INC.

By: _____
Name: Aaron LoCascio
Title: Chief Executive Officer

GREENLANE HOLDINGS, LLC

By: _____
Name: Aaron LoCascio
Title: Chief Executive Officer

MEMBERS:

[Name and Address To Come]

[Signature Page to the Reorganization Agreement]

SCHEDULE A

FOUNDER MEMBERS

Name	No. Shares of Class C Common Stock

SCHEDULE B

NON-FOUNDER MEMBERS

Name	No. Shares of Class B Common Stock

EXHIBIT A

FORM OF CLASS B COMMON STOCK SUBSCRIPTION LETTER

EXHIBIT B

FORM OF CLASS C COMMON STOCK SUBSCRIPTION LETTER

EXHIBIT C

FORM OF COMMON UNIT REDEMPTION AGREEMENT

EXHIBIT D

FORM OF COMMON UNIT SUBSCRIPTION AGREEMENT

Exhibit 10.2

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "***Agreement***") is made as of [●], 2019 by and among Greenlane Holdings, LLC, a Delaware limited liability company (the "***Company***"), Greenlane Holdings, Inc., a Delaware corporation (the "***Corporation***"), and each Person identified on the Schedule of Investors attached hereto as of the date hereof (such Persons, collectively, the "***Original Members***").

RECITALS

WHEREAS, the Corporation is executing and delivering this Agreement in contemplation of consummating the offer and sale of its shares of Class A common stock, par value $0.01 per share (the "***Class A Common Stock***" and such shares, the "***Shares***"), to the public in an underwritten initial public offering (the "***IPO***");

WHEREAS, the Corporation desires to use a portion of the net proceeds from the IPO to purchase Common Units (as defined below) of the Company, and the Company desires to issue its Common Units to the Corporation in exchange for such portion of the net proceeds from the IPO;

WHEREAS, immediately prior to the consummation of the issuance of Common Units by the Company to the Corporation, the Original Members are the sole members of the Company;

WHEREAS, immediately prior to or simultaneous with the purchase by the Corporation of the Common Units, the Corporation, the Company and the Original Members will enter into that certain Third Amended and Restated Operating Agreement of the Company (such agreement, as it may be amended, restated, amended and restated, supplemented or otherwise modified form time to time, the "***Operating Agreement***");

WHEREAS, in connection with the closing of the IPO, (i) the Corporation will become the sole manager of the Company, (ii) each Person identified on the Schedule of Investors attached hereto as a "Member" (such Persons, collectively, the "***Members***") will become a non-managing member of the Company but, except as otherwise disclosed in the prospectus relating to the IPO, will otherwise retain their Common Units in the Company, and (iii) in consideration of the Corporation acquiring the Common Units and becoming the manager of the Company, among other things, the Company will provide the Members with a redemption right pursuant to which the Members may be able to require redemption of their Common Units and the Corporation may, at the Corporation's option, redeem or exchange the Member's Common Units for Class A Common Stock or for cash on the terms set forth in the Operating Agreement;

NOW, **THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1:

"***Acquired Common***" has the meaning set forth in Section 8.

"***Additional Investor***" has the meaning set forth in Section 8, and shall be deemed to include each such Person's Affiliates, immediate family members, heirs, successors and assigns who may succeed to such Person as a Holder hereunder.

"***Affiliate***" of any Person means any other Person controlled by, controlling or under common control with such Person; *provided* that the Corporation and its Subsidiaries shall not be deemed to be Affiliates of any Holder. As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise).

"***Agreement***" has the meaning set forth in the recitals of this Agreement.

"***Automatic Shelf Registration Statement***" has the meaning set forth in Section 2(a).

"***Business Day***" means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized to close.

"***Capital Stock***" means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock of such corporation (whether voting or nonvoting and whether common or preferred), (ii) with respect to any Person that is not a corporation, individual or governmental entity, any and all partnership, membership, limited liability company or other equity interests of such Person that confer on the holder thereof the right to receive a share of the profits and losses of, or the distribution of assets of the issuing Person, and (iii) any and all warrants, rights (including conversion and exchange rights) and options to purchase any security described in the clause (i) or (ii) above.

"***Class A Common Stock***" has the meaning set forth in the recitals of this Agreement.

"***Class B Common Stock***" means the Corporation's Class B common stock, par value $0.0001 per share.

"***Class C Common Stock***" means the Corporation's Class C common stock, par value $0.0001 per share.

"***Common Units***" means the "Common Units" of the Company as defined in the Operating Agreement.

"***Company***" has the meaning set forth in the recitals of this Agreement.

"***Controlling Holder***" means each of Jacoby & Co., Inc. and Adam Schoenfeld, in each case so long as such Holder continues to hold Registrable Securities.

"***Corporation***" has the meaning set forth in the recitals of this Agreement.

"***Demand Registrations***" has the meaning set forth in Section 2(a).

"***End of Suspension Notice***" has the meaning set forth in Section 2(f)(ii).

"***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

"***FINRA***" means the Financial Industry Regulatory Authority.

*"**Writing Prospectus**" means a free-writing prospectus, as defined in Rule 405.

"***Holder***" means any Person who is the registered holder of Registrable Securities.

"***Holder Indemnified Parties***" has the meaning set forth in Section 6(a).

"***IPO***" has the meaning set forth in the recitals of this Agreement.

"***Joinder***" has the meaning set forth in Section 8.

"***Long-Form Registrations***" has the meaning set forth in Section 2(a).

"***Members***" has the meaning set forth in the recitals, and shall be deemed to include their respective Affiliates, immediate family members, heirs, successors and assigns who may succeed to such Person as a Holder hereunder.

"***MNPI***" means material non-public information within the meaning of Regulation FD promulgated under the Exchange Act.

"***Operating Agreement***" has the meaning set forth in the recitals of this Agreement.

"***Original Members***" has the meaning set forth in the preamble, and shall be deemed to include their respective Affiliates, immediate family members, heirs, successors and assigns who may succeed to such Person as a Holder hereunder.

"***Person***" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"***Piggyback Registrations***" has the meaning set forth in Section 3(a).

"***Public Offering***" means any sale or distribution to the public of Capital Stock of the Corporation pursuant to an offering registered under the Securities Act, whether by the Corporation, by Holders and/or by any other holders of the Corporation's Capital Stock.

"***Registrable Securities***" means (i) any Class A Common Stock issued by the Corporation in a Share Settlement in connection with (x) the redemption by the Company of Common Units owned by any Member or (y) at the election of the Corporation, in a direct exchange for Common Units owned by any Member, in each case in accordance with the terms of the Operating Agreement, (ii) any common Capital Stock of the Corporation or of any Subsidiary of the Corporation issued or issuable with respect to the securities referred to in clause (i) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization, and (iii) any other Shares owned by Persons that are the registered holders of securities described in clauses (i) or (ii) above. As to any particular Registrable Securities owned by any Person, such securities shall cease to be Registrable Securities on the date such securities have been (a) sold or distributed pursuant to a Public Offering, (b) sold in compliance with Rule 144 following the consummation of the IPO or (c) repurchased by the Corporation or a Subsidiary of the Corporation or otherwise have ceased to be outstanding. For purposes of this Agreement, a Person shall be deemed to be a Holder, and the Registrable Securities shall be deemed to be in existence, whenever such Person has the right to acquire, directly or indirectly, such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Registrable Securities hereunder; *provided* a holder of Registrable Securities may only request that Registrable Securities in the form of Capital Stock of the Corporation that is registered or to be registered as a class under Section 12 of the Exchange Act be registered pursuant to this Agreement. For the avoidance of doubt, (x) while Common Units may constitute Registrable Securities, under no circumstances shall the Corporation be obligated to register Common Units and only Shares issuable upon redemption or exchange of such Common Units will be registered and (y) under no circumstances shall the Corporation be required to register any shares of Class B Common Stock or Class C Common Stock. Notwithstanding the foregoing, any Registrable Securities held by any Person that may be sold under Rule 144(b)(1)(i) without limitation under any other of the requirements of Rule 144 shall not be deemed to be Registrable Securities upon notice from the Corporation to such Person and the Corporation shall, at such Person's request, remove the legend provided for in Section 11.

"***Registration Expenses***" has the meaning set forth in Section 5(a).

"***Rule 144***," "***Rule 158***," "***Rule 405***" and "***Rule 415***" mean, in each case, such rule promulgated under the Securities Act (or any successor provision) by the Securities and Exchange Commission, as the same shall be amended from time to time, or any successor rule then in force.

"***Schedule of Investors***" means the schedule attached to this Agreement entitled "Schedule of Investors", which shall reflect each Holder from time to time party to this Agreement.

"***Securities Act***" means the U.S. Securities Act of 1933, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

"***Share Settlement***" means "Share Settlement" as defined in the Operating Agreement.

"***Shares***" has the meaning set forth in the recitals of this Agreement.

"***Shelf Offering***" has the meaning set forth in Section 2(d)(ii).

"***Shelf Offering Notice***" has the meaning set forth in Section 2(d)(ii).

"***Shelf Offering Request***" has the meaning set forth in Section 2(d)(ii).

"***Shelf Registrable Securities***" has the meaning set forth in Section 2(d)(ii).

"***Shelf Registration***" has the meaning set forth in Section 2(a).

"***Shelf Registration Statement***" has the meaning set forth in Section 2(d)(i).

"***Short-Form Registrations***" has the meaning set forth in Section 2(a).

"***Subsidiary***" means, with respect to the Corporation, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of Capital Stock of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of directors is at the time owned or controlled, directly or indirectly, by the Corporation, or (ii) if a limited liability company, partnership, association or other business entity, either (x) a majority of the Capital Stock of such Person entitled (without regard to the occurrence of any contingency) to vote in the election of managers, general partners or other oversight board vested with the authority to direct management of such Person is at the time owned or controlled, directly or indirectly, by the Corporation or (y) the Corporation or one of its Subsidiaries is the sole manager or general partner of such Person.

"***Suspension Event***" has the meaning set forth in Section 2(f)(ii).

"***Suspension Notice***" has the meaning set forth in Section 2(f)(ii).

"***Suspension Period***" has the meaning set forth in Section 2(f)(i).

"***Underwritten Takedown***" has the meaning set forth in Section 2(d)(ii).

"***Violation***" has the meaning set forth in Section 6(a).

"***WKSI***" means a "well-known seasoned issuer" as defined under Rule 405.

Section 2. Demand Registrations.

(a) Requests for Registration. Subject to the terms and conditions of this Agreement, at any time from and after 180 days following the IPO, Controlling Holders holding at least a majority of the Registrable Securities held by all Controlling Holders may request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-1 or any similar long-form registration ("***Long-Form Registrations***"), and Controlling Holders holding at least a majority of the Registrable Securities held by all Controlling Holders may request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-3 or any similar short-form registration ("***Short-Form Registrations***") if available; *provided* that the Corporation shall not be obligated to file any registration statement related to any Long Form Registration or Short Form Registration under this Section 2(a) unless the Long Form Registration or Short Form Registration is reasonably expected to register at least $10.0 million in Registrable Securities held by the Controlling Holders making the request. All registrations requested pursuant to this Section 2(a) are referred to herein as "***Demand Registrations***." The Controlling Holders making a Demand Registration may request that the registration be made pursuant to Rule 415 under the Securities Act (a "***Shelf Registration***") and, if the Corporation is a WKSI at the time any request for a Demand Registration is submitted to the Corporation, that such Shelf Registration be an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "***Automatic Shelf Registration Statement***"). Following the request for the Demand Registration, the Corporation shall give written notice of the Demand Registration to all other Holders and, subject to the terms of Section 2(e), shall include in such Demand Registration (and in all related registrations and qualifications under state blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Corporation has received written requests for inclusion therein within fifteen (15) days after the receipt of the Corporation's notice; *provided* that the Corporation shall provide notice of the Demand Registration to all other Holders no later than five (5) days prior to the non-confidential filing of the registration statement with respect to the Demand Registration. Each Holder agrees that (1) such notice constitutes MNPI and that it will not engage in any transaction in any securities of the Corporation or until such notice and the information contained therein ceases to constitute MNPI and (2) such Holder shall treat as confidential the receipt of the notice of Demand Registration and shall not disclose or use the information contained in such notice of Demand Registration without the prior written consent of the Corporation until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement. Notwithstanding the foregoing, the Corporation shall not be required to take any action that would otherwise be required under this Section 2 if such action would violate any lock-up or hold-back provision contained in the underwriting agreement entered into in connection with any underwritten Public Offering.

(b) Long-Form Registrations. The Controlling Holders shall be entitled to request up to three (3) Long-Form Registrations in which the Corporation shall pay all Registration Expenses, regardless of whether any registration statement is filed or any such Demand Registration is consummated. All Long-Form Registrations shall be underwritten registrations unless otherwise approved by Controlling Holders holding at least a majority of the Registrable Securities held by all Controlling Holders making the Demand Registration.

(c) Short-Form Registrations. In addition to the Long-Form Registrations described in Section 2(b), the Controlling Holders shall be entitled to request an unlimited number of Short-Form Registrations in which the Corporation shall pay all Registration Expenses, regardless of whether any registration statement is filed or any such Demand Registration is consummated. Demand Registrations shall be Short-Form Registrations whenever the Corporation is permitted to use any applicable short form and if the managing underwriters (if any) agree to the use of a Short-Form Registration. After the Corporation has become subject to the reporting requirements of the Exchange Act, the Corporation shall use its reasonable efforts to make Short-Form Registrations available for the sale of Registrable Securities.

(d) Shelf Registrations.

(i) Subject to the availability of required financial information, as promptly as practicable after the Corporation receives written notice of a request for a Shelf Registration, the Corporation shall file with the Securities and Exchange Commission a registration statement under the Securities Act for the Shelf Registration (a "***Shelf Registration Statement***"). The Corporation shall use its reasonable efforts to cause any Shelf Registration Statement to be declared effective under the Securities Act as soon as practicable after the initial filing of such Shelf Registration Statement, and once effective, the Corporation shall cause such Shelf Registration Statement to remain continuously effective for such time period as is specified in the request by the Holders, but for no time period longer than the period ending on the earliest of (A) the third anniversary of the initial effective date of such Shelf Registration Statement, (B) the date on which all Registrable Securities covered by such Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, and (C) the date as of which there are no longer any Registrable Securities covered by such Shelf Registration Statement in existence. Without limiting the generality of the foregoing, the Corporation shall use its reasonable efforts to prepare a Shelf Registration Statement with respect to all of the Registrable Securities owned by or issuable to the Original Members in accordance with the terms of the Operating Agreement (or such other number of Registrable Securities specified in writing by the Holder with respect to the Registrable Securities owned by or issuable to such Holder) to enable and cause such Shelf Registration Statement to be filed and maintained with the Securities and Exchange Commission as soon as practicable after the Corporation becomes eligible to file a Shelf Registration Statement for a Short-Form Registration; provided that any of the Original Members may, with respect to itself, instruct the Corporation in writing not to include in such Shelf Registration Statement the Registrable Securities owned by or issuable to such Holder. In order for any of the Original Members to be named as a selling securityholder in such Shelf Registration Statement, the Corporation may require such Holder to deliver all information about such Holder that is required to be included in such Shelf Registration Statement in accordance with applicable law, including Item 507 of Regulation S-K promulgated under the Securities Act, as amended from time to time, or any similar successor rule thereto. Notwithstanding anything to the contrary in Section 2(d)(ii), any Holder that is named as a selling securityholder in such Shelf Registration Statement may make a secondary resale under such Shelf Registration Statement without the consent of the Holders representing a majority of the Registrable Securities or any other Holder if such resale does not require a supplement to the Shelf Registration Statement.

(ii) In the event that a Shelf Registration Statement is effective, Holders holding Registrable Securities with an aggregate market value of at least $10.0 million shall have the right at any time or from time to time to elect to sell pursuant to an offering (including an underwritten offering (an "***Underwritten Takedown***")) Registrable Securities available for sale pursuant to such registration statement ("***Shelf Registrable Securities***"), so long as the Shelf Registration Statement remains in effect, and the Corporation shall pay all Registration Expenses in connection therewith; *provided* that Controlling Holders shall have the right at any time and from time to time to elect to sell pursuant to an offering (including an Underwritten Takedown) pursuant to a Shelf Offering Request (as defined below) made by such Controlling Holders so long as the amount of Registrable Securities requested to be included in such Shelf Offering Request (including any Registrable Securities included pursuant to the third succeeding sentence) by such Controlling Holders is reasonably expected to result in aggregate gross proceeds to such Controlling Holders in excess of $5.0 million. The applicable Holders shall make such election by delivering to the Corporation a written request (a "***Shelf Offering Request***") for such offering specifying the number of Shelf Registrable Securities that such Holders desire to sell pursuant to such offering (the "***Shelf Offering***"). As promptly as practicable, but no later than two Business Days after receipt of a Shelf Offering Request, the Corporation shall give written notice (the "***Shelf Offering Notice***") of such Shelf Offering Request to all other holders of Shelf Registrable Securities. The Corporation shall, subject to Sections 2(e) and 7 hereof, include in such Shelf Offering the Shelf Registrable Securities of any other Holder that shall have made a written request to the Corporation for inclusion in such Shelf Offering (which request shall specify the maximum number of Shelf Registrable Securities intended to be sold by such Holder) within seven (7) days after the receipt of the Shelf Offering Notice. The Corporation shall, as expeditiously as possible (and in any event within twenty (20) days after the receipt of a Shelf Offering Request, unless a longer period is agreed to by the Holders representing a majority of the Registrable Securities that made the Shelf Offering Request), use its reasonable efforts to facilitate such Shelf Offering. Each Holder agrees that (1) such notice constitutes MNPI and that it will not engage in any transaction in any securities of the Corporation until such notice and the information contained therein ceases to constitute MNPI and (2) such Holder shall treat as confidential the receipt of the Shelf Offering Notice and shall not disclose or use the information contained in such Shelf Offering Notice without the prior written consent of the Corporation until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement.

(iii) Notwithstanding the foregoing, if Controlling Holders holding Registrable Securities with an aggregate market value of at least $5.0 million wish to engage in an underwritten block trade off of a Shelf Registration Statement (either through filing an Automatic Shelf Registration Statement or through a take-down from an existing Shelf Registration Statement), then notwithstanding the foregoing time periods, such Holders only need to notify the Corporation of the block trade Shelf Offering two (2) Business Days prior to the day such offering is to commence (unless a longer period is agreed to by Holders representing a majority of the Registrable Securities wishing to engage in the underwritten block trade) and the Corporation shall promptly notify other Holders and such other Holders must elect whether or not to participate by the next Business Day (*i.e.*, one (1) Business Day prior to the day such offering is to commence) (unless a longer period is agreed to by Holders representing a majority of the Registrable Securities wishing to engage in the underwritten block trade) and the Corporation shall as expeditiously as possible use its reasonable efforts to facilitate such offering (which may close as early as three (3) Business Days after the date it commences); *provided* that Holders representing a majority of the Registrable Securities wishing to engage in the underwritten block trade shall use commercially reasonable efforts to work with the Corporation and the underwriters prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the underwritten block trade.

(iv) The Corporation shall, at the request of Holders representing a majority of the Registrable Securities covered by a Shelf Registration Statement, file any prospectus supplement or, if the applicable Shelf Registration Statement is an Automatic Shelf Registration Statement, any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language deemed necessary or advisable by such Holders to effect such Shelf Offering.

(e) Priority on Demand Registrations and Shelf Offerings. The Corporation shall not include in any Demand Registration or Shelf Offering any securities that are not Registrable Securities without the prior written consent of Holders representing a majority of the Registrable Securities included in such registration or offering. If a Demand Registration or a Shelf Offering is an underwritten offering and the managing underwriters advise the Corporation in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, that can be sold therein without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Corporation shall include in such registration or offering, as applicable, prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested by Holders to be included that, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among the respective Holders thereof on the basis of the amount of Registrable Securities owned by each such Holder that such Holder of Registrable Securities shall have requested to be included therein. Alternatively, if the number of Registrable Securities which can be included on a Shelf Registration Statement is otherwise limited by Instruction I.B.6 to Form S-3 (or any successor provision thereto), the Corporation shall include in such registration or offering prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which can be included on such Shelf Registration Statement in accordance with the requirements of Form S-3, pro rata among the respective Holders thereof on the basis of the amount of Registrable Securities owned by each such Holder that such Holder of Registrable Securities shall have requested to be included therein.

(f) Restrictions on Demand Registration and Shelf Offerings.

(i) The Corporation shall not be obligated to effect any Demand Registration within 90 days after the effective date of a previous Demand Registration or a previous registration in which Registrable Securities were included pursuant to Section 3. The Corporation may postpone, for up to 60 days from the date of the request, the filing or the effectiveness of a registration statement for a Demand Registration or suspend the use of a prospectus that is part of a Shelf Registration Statement for up to 60 days from the date of the Suspension Notice (as defined below) and therefore suspend sales of the Shelf Registrable Securities (such period, the "***Suspension Period***") by providing written notice to the Holders if (A) the Corporation's board of directors determines in its reasonable good faith judgment that the offer or sale of Registrable Securities would reasonably be expected to have a material adverse effect on any proposal or plan by the Corporation or any Subsidiary to engage in any material acquisition of assets or stock (other than in the ordinary course of business) or any material merger, consolidation, tender offer, recapitalization, reorganization or other transaction involving the Corporation or any Subsidiary, (B) upon advice of counsel, the sale of Registrable Securities pursuant to the registration statement would require disclosure of MNPI not otherwise required to be disclosed under applicable law, and (C) either (x) the Corporation has a bona fide business purpose for preserving the confidentiality of such transaction or (y) disclosure of such MNPI would have a material adverse effect on the Corporation or the Corporation's ability to consummate such transaction; provided that in such event, the Holders shall be entitled to withdraw such request for a Demand Registration or underwritten Shelf Offering and the Corporation shall pay all Registration Expenses in connection with such Demand Registration or Shelf Offering. The Corporation may delay a Demand Registration hereunder only once in any twelve-month period, except with the consent of the Controlling Holders holding at least a majority of the Registrable Securities held by all Controlling Holders. The Corporation also may extend the Suspension Period with the consent of the Controlling Holders holding at least a majority of the Registrable Securities held by all Controlling Holders, which consent shall not be unreasonably withheld.

(ii) In the case of an event that causes the Corporation to suspend the use of a Shelf Registration Statement as set forth in paragraph (f)(i) above or pursuant to applicable subsections of Section 4(a)(vi) (a "***Suspension Event***"), the Corporation shall give a notice to the Holders of Registrable Securities registered pursuant to such Shelf Registration Statement (a "***Suspension Notice***") to suspend sales of the Registrable Securities and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing. If the basis of such suspension is nondisclosure of MNPI, the Corporation shall not be required to disclose the subject matter of such MNPI to Holders. A Holder shall not affect any sales of the Registrable Securities pursuant to such Shelf Registration Statement (or such filings) at any time after it has received a Suspension Notice from the Corporation and prior to receipt of an End of Suspension Notice (as defined below). Each Holder agrees that (1) such notice constitutes MNPI and that it will not engage in any transaction in any securities of the Corporation until such notice and the information contained therein ceases to constitute MNPI and (2) such Holder shall treat as confidential the receipt of the Suspension Notice and shall not disclose or use the information contained in such Suspension Notice without the prior written consent of the Corporation until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement. Holders may recommence effecting sales of the Registrable Securities pursuant to the Shelf Registration Statement (or such filings) following further written notice to such effect (an "***End of Suspension Notice***") from the Corporation, which End of Suspension Notice shall be given by the Corporation to the Holders and their counsel, if any, promptly following the conclusion of any Suspension Event.

(iii) Notwithstanding any provision herein to the contrary, if the Corporation gives a Suspension Notice with respect to any Shelf Registration Statement pursuant to this Section 2(f), the Corporation agrees that it shall (A) extend the period of time during which such Shelf Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the Holders of the Suspension Notice to and including the date of receipt by the Holders of the End of Suspension Notice, and (B) provide copies of any supplemented or amended prospectus necessary to resume sales, with respect to each Suspension Event; provided that such period of time shall not be extended beyond the date that there are no longer Registrable Securities covered by such Shelf Registration Statement.

(g) Selection of Underwriters. Holders representing a majority of the Registrable Securities included in any Demand Registration shall have the right to select the investment banker(s) and manager(s) to administer the offering (including assignment of titles), subject to the Corporation's approval, which is not to be unreasonably withheld, conditioned or delayed. If any Shelf Offering is an Underwritten Takedown, the Holders representing a majority of the Registrable Securities participating in such Underwritten Takedown shall have the right to select the investment banker(s) and manager(s) to administer the offering relating to such Shelf Offering (including assignment of titles), subject to the Corporation's approval not be unreasonably withheld, conditioned or delayed.

(h) Other Registration Rights. The Corporation represents and warrants that it is not a party to, or otherwise subject to, any other agreement granting registration rights to any other Person with respect to any securities of the Corporation. Except as provided in this Agreement, the Corporation shall not grant to any Persons the right to request the Corporation or any Subsidiary to register any Capital Stock of the Corporation or of any Subsidiary, or any securities convertible or exchangeable into or exercisable for such securities, without the prior written consent of the Controlling Holders holding at least a majority of the Registrable Securities held by all Controlling Holders.

Section 3. Piggyback Registrations.

(a) Right to Piggyback. Following the IPO, whenever the Corporation proposes to register any of its securities under the Securities Act (other than (i) pursuant to a Demand Registration, (ii) in connection with registrations on Form S-4 or S-8 promulgated by the Securities and Exchange Commission or any successor or similar forms or (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities) and the registration form to be used may be used for the registration of Registrable Securities (a "***Piggyback Registration***"), the Corporation shall give prompt written notice to all Holders of its intention to effect such Piggyback Registration and, subject to the terms of Section 3(c) and Section 3(d), shall include in such Piggyback Registration (and in all related registrations or qualifications under blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Corporation has received written requests for inclusion therein within twenty (20) days after delivery of the Corporation's notice (provided that if such Piggyback Registration is to be effected pursuant to a "bought deal agreement" (within the meaning of National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators), the Corporation shall have promptly upon the initial communication relating to a proposed "bought deal agreement" with a prospective underwriter notified the Holders of the substance of such communication and shall consistently update the Holders on all material developments with respect thereto, and the Holder shall respond consistent with the time periods typical for transactions of that nature).

(b) Piggyback Expenses. The Registration Expenses of the Holders shall be paid by the Corporation in all Piggyback Registrations, whether or not any such registration became effective.

(c) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Corporation, and the managing underwriters advise the Corporation in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Corporation shall include in such registration (i) first, the securities the Corporation proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect, pro rata among the Holders on the basis of the number of Registrable Securities owned by each such Holder that such Holder of Registrable Securities shall have requested to be included therein, and (iii) third, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect.

(d) Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Corporation's securities (other than the Holders), and the managing underwriters advise the Corporation in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Corporation shall include in such registration (i) first, the securities requested to be included therein by the initial holders requesting such registration which, in the opinion of the underwriters, can be sold without any such adverse effect, (ii) second, the Registrable Securities of Holders requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect, pro rata among the such Holders on the basis of the number of Registrable Securities owned by each such Holder that such Holder of Registrable Securities shall have requested to be included therein and (iii) third, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect.

(e) Selection of Underwriters. If any Piggyback Registration is an underwritten offering, the selection of investment banker(s) and manager(s) for the offering shall be at the election of the Corporation (in the case of a primary registration) or at the election of the holders of other Corporation securities requesting such registration (in the case of a secondary registration); *provided* that Holders representing a majority of the Registrable Securities included in such Piggyback Registration may request that one or more investment banker(s) or manager(s) be included in such offering (such request not to be binding on the Corporation or such other initiating holders of Corporation securities).

(f) Right to Terminate Registration. The Corporation shall have the right to terminate or withdraw any registration initiated by it under this Section 3 whether or not any Holder has elected to include securities in such registration. The Registration Expenses of such withdrawn registration shall be borne by the Corporation in accordance with Section 5.

Section 4. Registration Procedures.

(a) Whenever the Holders have requested that any Registrable Securities be registered pursuant to this Agreement or have initiated a Shelf Offering, (i) such Holders shall, if applicable, cause such Registrable Securities to be exchanged into shares of Class A Common Stock in accordance with the terms of the Operating Agreement prior to sale of such Registrable Securities, and (ii) the Corporation shall use its reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Corporation shall as expeditiously as possible:

(i) in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder, prepare and file with the Securities and Exchange Commission a registration statement, and all amendments and supplements thereto and related prospectuses, with respect to such Registrable Securities and use its reasonable efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Corporation shall furnish to the counsel selected by the Holders representing a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents shall be subject to the review and comment of such counsel);

(ii) notify each holder of Registrable Securities of (A) the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for that purpose, (B) the receipt by the Corporation or its counsel of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (C) the effectiveness of each registration statement filed hereunder;

(iii) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period ending when all of the securities covered by such registration statement have been disposed of in accordance with the intended methods of distribution by the sellers thereof set forth in such registration statement (but in any event not before the expiration of any longer period required under the Securities Act or, if such registration statement relates to an underwritten Public Offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by law to be delivered in connection with sale of Registrable Securities by an underwriter or dealer) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iv) furnish to each seller of Registrable Securities thereunder such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus), each Free Writing Prospectus and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(v) use its reasonable efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Corporation shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (B) consent to general service of process in any such jurisdiction or (C) subject itself to taxation in any such jurisdiction);

(vi) notify each seller of such Registrable Securities (A) promptly after it receives notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a prospectus or supplement to any prospectus relating to a registration statement has been filed and when any registration or qualification has become effective under a state securities or blue sky law or any exemption thereunder has been obtained, (B) promptly after receipt thereof, of any request by the Securities and Exchange Commission for the amendment or supplementing of such registration statement or prospectus or for additional information and (C) at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, subject to Section 2(f), at the request of any such seller, the Corporation shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(vii) use reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Corporation are then listed and, if not so listed, to be listed on a securities exchange and, without limiting the generality of the foregoing, to arrange for at least two market markers to register as such with respect to such Registrable Securities with FINRA;

(viii) use reasonable efforts to provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(ix) enter into and perform such customary agreements (including underwriting agreements in customary form) and take all such other actions as the Holders representing a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting a stock split, combination of shares, recapitalization or reorganization);

(x) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate and business documents and properties of the Corporation as shall be necessary to enable them to exercise their due diligence responsibility, and cause the Corporation's officers, directors, employees, agents, representatives and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(xi) take all reasonable actions to ensure that any Free-Writing Prospectus utilized in connection with any Demand Registration or Piggyback Registration hereunder complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, shall not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xii) otherwise use its reasonable efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Corporation's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158;

(xiii) to the extent that a Holder, in its sole and exclusive judgment, might be deemed to be an underwriter of any Registrable Securities or a controlling person of the Corporation, permit such Holder to participate in the preparation of such registration or comparable statement and allow such Holder to provide language for insertion therein, in form and substance satisfactory to the Corporation, which in the reasonable judgment of such Holder and its counsel should be included;

(xiv) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or the issuance of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Class A Common Stock included in such registration statement for sale in any jurisdiction use reasonable efforts promptly to obtain the withdrawal of such order;

(xv) use its reasonable efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities;

(xvi) cooperate with the Holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement and enable such securities to be in such denominations and registered in such names as the managing underwriter, or agent, if any, or such Holders may request;

(xvii) cooperate with each Holder of Registrable Securities covered by the registration statement and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(xviii) use its reasonable efforts to make available the executive officers of the Corporation to participate with the Holders of Registrable Securities covered by the registration statement and any underwriters in any "road shows" or other selling efforts that may be reasonably requested by the Holders in connection with the methods of distribution for the Registrable Securities;

(xix) in the case of any underwritten Public Offering, use its reasonable efforts to obtain one or more comfort letters from the Corporation's independent public accountants in customary form and covering such matters of the type customarily covered by comfort letters as the Holders representing a majority of the Registrable Securities being sold reasonably request;

(xx) in the case of any underwritten Public Offering, use its reasonable efforts to provide a legal opinion of the Corporation's outside counsel, dated the closing date of the Public Offering, in customary form and covering such matters of the type customarily covered by legal opinions of such nature, which opinion shall be addressed to the underwriters and the Holders of such Registrable Securities being sold;

(xxi) if the Corporation files an Automatic Shelf Registration Statement covering any Registrable Securities, use its reasonable efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such Automatic Shelf Registration Statement is required to remain effective;

(xxii) if the Corporation does not pay the filing fee covering the Registrable Securities at the time an Automatic Shelf Registration Statement is filed, pay such fee at such time or times as the Registrable Securities are to be sold; and

(xxiii) if the Automatic Shelf Registration Statement has been outstanding for at least three (3) years, at the end of the third year, file a new Automatic Shelf Registration Statement covering the Registrable Securities, and, if at any time when the Corporation is required to re-evaluate its WKSI status the Corporation determines that it is not a WKSI, use its reasonable efforts to refile the Shelf Registration Statement on Form S-3 and, if such form is not available, Form S-1 and keep such registration statement effective during the period during which such registration statement is required to be kept effective.

(b) Any officer of the Corporation who is a Holder agrees that if and for so long as he or she is employed by the Corporation or any Subsidiary thereof, he or she shall participate fully in the sale process in a manner customary and reasonable for persons in like positions and consistent with his or her other duties with the Corporation and in accordance with applicable law, including the preparation of the registration statement and the preparation and presentation of any road shows.

(c) The Corporation may require each Holder requesting, or electing to participate in, any registration to furnish the Corporation such information regarding such Holder and the distribution of such Registrable Securities as the Corporation may from time to time reasonably request in writing.

(d) If the Original Members or any of their respective Affiliates seek to effectuate an in-kind distribution of all or part of their respective Registrable Securities to their respective direct or indirect equityholders, the Corporation shall, subject to any applicable lock-ups, work with the foregoing persons to facilitate such in-kind distribution in the manner reasonably requested.

Section 5. Registration Expenses.

(a) The Corporation's Obligation. All expenses incident to the Corporation's performance of or compliance with this Agreement (including all registration, qualification and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Corporation and all independent certified public accountants, underwriters (excluding underwriting discounts and commissions) and other Persons retained by the Corporation) (all such expenses being herein called "***Registration Expenses***"), shall be borne as provided in this Agreement, except that the Corporation shall, in any event, pay its internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Corporation are then listed. Each Person that sells securities pursuant to a Demand Registration or Piggyback Registration hereunder shall bear and pay all underwriting discounts and commissions applicable to the securities sold for such Person's account.

(b) Counsel Fees and Disbursements. In connection with each Demand Registration, each Piggyback Registration and each Shelf Offering that is an underwritten Public Offering, the Corporation shall reimburse the Holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one counsel chosen by the Holders representing a majority of the Registrable Securities included in such registration or participating in such Shelf Offering.

Section 6. Indemnification and Contribution.

(a) By the Corporation. The Corporation shall indemnify and hold harmless, to the extent permitted by law, each Holder, such Holder's officers, directors, managers, employees, agents and representatives, and each Person who controls such Holder (within the meaning of the Securities Act) (the "***Holder Indemnified Parties***") against all losses, claims, actions, damages, liabilities and expenses (including with respect to actions or proceedings, whether commenced or threatened, and including reasonable attorney fees and expenses) caused by, resulting from, arising out of, based upon or related to any of the following statements, omissions or violations (each a "***Violation***") by the Corporation: (i) any untrue or alleged untrue statement of material fact contained in (A) any registration statement, prospectus, preliminary prospectus or Free-Writing Prospectus, or any amendment thereof or supplement thereto or (B) any application or other document or communication (in this Section 6, collectively called an "***application***") executed by or on behalf of the Corporation or based upon written information furnished by or on behalf of the Corporation filed in any jurisdiction in order to qualify any securities covered by such registration under the securities laws thereof, (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Corporation of the Securities Act or any other similar federal or state securities laws or any rule or regulation promulgated thereunder applicable to the Corporation and relating to action or inaction required of the Corporation in connection with any such registration, qualification or compliance. In addition, the Corporation will reimburse such Holder Indemnified Party for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such losses. Notwithstanding the foregoing, the Corporation shall not be liable in any such case to the extent that any such losses result from, arise out of, are based upon, or relate to an untrue statement or alleged untrue statement, or omission or alleged omission, made in such registration statement, any such prospectus, preliminary prospectus or Free-Writing Prospectus or any amendment or supplement thereto, or in any application, in reliance upon, and in conformity with, written information prepared and furnished in writing to the Corporation by such Holder Indemnified Party expressly for use therein or by such Holder Indemnified Party's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Corporation has furnished such Holder Indemnified Party with a sufficient number of copies of the same. In connection with an underwritten offering, the Corporation shall indemnify such underwriters, their officers and directors, and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Holder Indemnified Parties.

(b) By Each Holder. In connection with any registration statement in which a Holder is participating, each such Holder shall furnish to the Corporation in writing such information and affidavits as the Corporation reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Corporation, its officers, directors, managers, employees, agents and representatives, and each Person who controls the Corporation (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder; *provided* that the obligation to indemnify shall be individual, not joint and several, for each Holder and shall be limited to the net amount of proceeds received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Claim Procedure. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall impair any Person's right to indemnification hereunder only to the extent such failure has prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicted indemnified parties shall have a right to retain one separate counsel, chosen by the Holders representing a majority of the Registrable Securities included in the registration if such Holders are indemnified parties, at the expense of the indemnifying party.

(d) Contribution. If the indemnification provided for in this Section 6 is held by a court of competent jurisdiction to be unavailable to, or is insufficient to hold harmless, an indemnified party or is otherwise unenforceable with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations; provided that the maximum amount of liability in respect of such contribution shall be limited, in the case of each seller of Registrable Securities, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if the contribution pursuant to this Section 6(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account such equitable considerations. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to herein shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim which is the subject hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(t) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Release. No indemnifying party shall, except with the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation. Notwithstanding anything to the contrary in this Section 6, an indemnifying party shall not be liable for any amounts paid in settlement of any loss, claim, damage, liability, or action if such settlement is effected without the consent of the indemnifying party, such consent not to be unreasonably withheld, conditioned or delayed.

(f) Non-exclusive Remedy; Survival. The indemnification and contribution provided for under this Agreement shall be in addition to any other rights to indemnification or contribution that any indemnified party may have pursuant to law or contract and shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of Registrable Securities and the termination or expiration of this Agreement. Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

Section 7. Underwritten Registrations.

(a) Participation. No Person may participate in any Public Offering hereunder which is underwritten unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including pursuant to any over-allotment or "green shoe" option requested by the underwriters; provided that no Holder shall be required to sell more than the number of Registrable Securities such Holder has requested to include) and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, lockup agreements and other documents required under the terms of such underwriting arrangements. Each Holder shall execute and deliver such other agreements as may be reasonably requested by the Corporation and the lead managing underwriter(s) that are consistent with such Holder's obligations under Section 4 and this Section 7(a) or that are necessary to give further effect thereto. To the extent that any such agreement is entered into pursuant to, and consistent with, this Section 7(a), the respective rights and obligations created under such agreement shall supersede the respective rights and obligations of the Holders, the Corporation and the underwriters created pursuant to this Section 7(a).

(b) Price and Underwriting Discounts. In the case of an underwritten Demand Registration or Underwritten Takedown requested by Holders pursuant to this Agreement, the price, underwriting discount and other financial terms of the related underwriting agreement for the Registrable Securities shall be determined by the Holders representing a majority of the Registrable Securities included in such underwritten offering.

(c) Suspended Distributions. Each Person that is participating in any registration under this Agreement, upon receipt of any notice from the Corporation of the happening of any event of the kind described in Section 4(a)(vi)(B) or (C), shall immediately discontinue the disposition of its Registrable Securities pursuant to the registration statement until such Person's receipt of the copies of a supplemented or amended prospectus as contemplated by Section 4(a)(vi). In the event the Corporation has given any such notice, the applicable time period set forth in Section 4(a)(iii) during which a Registration Statement is to remain effective shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to this Section 7(c) to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 4(a)(vi).

Section 8. Additional Parties; Joinder. Subject to the prior written consent of the Controlling Holders holding at least a majority of the Registrable Securities held by all Controlling Holders, the Corporation may make any Person who acquires Class A Common Stock or rights to acquire Class A Common Stock from the Corporation after the date hereof (including any Person who acquires Common Units) a party to this Agreement (each such Person, an "***Additional Investor***") and to succeed to all of the rights and obligations of a Holder under this Agreement by obtaining an executed joinder to this Agreement from such Additional Investor in the form of Exhibit A attached hereto (a "***Joinder***"). Upon the execution and delivery of a Joinder by such Additional Investor, the Class A Common Stock of the Corporation acquired by such Additional Investor or issuable upon redemption or exchange of Common Units acquired by such Additional Investor (the "***Acquired Common***") shall be Registrable Securities to the extent provided herein, such Additional Investor shall be a Holder under this Agreement with respect to the Acquired Common, and the Corporation shall add such Additional Investor's name and address to the Schedule of Investors and circulate such information to the parties to this Agreement.

Section 9. Current Public Information . The Corporation shall at all times when any Registrable Securities remain outstanding file all reports required to be filed by it under the Securities Act and the Exchange Act and shall take such further action as the Holder may reasonably request, all to the extent required to enable such Holders to sell Registrable Securities pursuant to Rule 144. Upon request, the Corporation shall deliver to any Holder a written statement as to whether it has complied with such requirements.

Section 10. Subsidiary Public Offering. If, after an initial Public Offering of the Capital Stock of one of its Subsidiaries (including the Company), the Corporation distributes securities of such Subsidiary to its equityholders, then the rights and obligations of the Corporation pursuant to this Agreement shall apply, *mutatis mutandis*, to such Subsidiary, and the Corporation shall cause such Subsidiary to comply with such Subsidiary's obligations under this Agreement.

Section 11. Transfer of Registrable Securities.

(a) Restrictions on Transfers. Notwithstanding anything to the contrary contained herein, except in the case of (i) a transfer to the Corporation, (ii) a transfer by any Original Member or any of its Affiliates to its respective equityholders, (iii) a Public Offering, (iv) a sale pursuant to Rule 144 after the completion of the IPO or (v) a transfer in connection with a sale of the Corporation, prior to transferring any Registrable Securities to any Person (including by operation of law), the transferring Holder shall cause the prospective transferee to execute and deliver to the Corporation a Joinder agreeing to be bound by the terms of this Agreement. Any transfer or attempted transfer of any Registrable Securities in violation of any provision of this Agreement shall be void, and the Corporation shall not record such transfer on its books or treat any purported transferee of such Registrable Securities as the owner thereof for any purpose.

(b) Legend. Each certificate evidencing any Registrable Securities and each certificate issued in exchange for or upon the transfer of any Registrable Securities (unless such Registrable Securities would no longer be Registrable Securities after such transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS SET FORTH IN A REGISTRATION RIGHTS AGREEMENT DATED AS OF [●], 2019, BY AND AMONG THE ISSUER OF SUCH SECURITIES (THE "CORPORATION") AND CERTAIN OF THE CORPORATION'S STOCKHOLDERS, AS AMENDED FROM TIME TO TIME. A COPY OF SUCH REGISTRATION RIGHTS AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE CORPORATION TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

The Corporation shall imprint such legend on certificates evidencing Registrable Securities outstanding prior to the date hereof, and shall cause the Company to imprint such legend on certificates, if any, evidencing Common Units exchangeable for Registrable Securities outstanding prior to the date hereof. The legend set forth above shall be removed from the certificates evidencing any securities that have ceased to be Registrable Securities.

Section 12. MNPI Provisions.

(a) Each Holder acknowledges that (i) the provisions of this Agreement that require communications by the Corporation or other Holders to such Holder may result in such Holder and its Representatives (as defined below) acquiring MNPI (which may include, solely by way of illustration, the fact that an offering of the Corporation's securities is pending or the number of Corporation securities or the identity of the selling Holders), and (ii) there is no limitation on the duration of time that such Holder and its Representatives may be in possession of MNPI and no requirement that the Company or other Holders make any public disclosure to cause such information to cease to be MNPI; *provided* that the Corporation will use commercially reasonable efforts to promptly notify each Holder if any proposed registration or offering for which a notice has been delivered pursuant to this Agreement has been terminated or aborted.

(b) Each Holder agrees that it will maintain the confidentiality of such MNPI and, to the extent such Holder is not a natural person, such confidential treatment shall be in accordance with procedures adopted by it in good faith to protect confidential information of third parties delivered to such Holder ("***Policies***"); *provided* that a holder may deliver or disclose MNPI to (i) its directors, officers, employees, agents, attorneys, affiliates and financial and other advisors (collectively, the "***Representatives***"), but solely to the extent such disclosure reasonably relates to its evaluation of exercise of its rights under this Agreement and the sale of any Registrable Securities in connection with the subject of the notice, (ii) any federal or state regulatory authority having jurisdiction over such Holder, (iii) any Person if necessary to effect compliance with any law, rule, regulation or order applicable to such Holder, (iv) in response to any subpoena or other legal process, or (v) in connection with any litigation to which such Holder is a party; *provided further*, that in the case of clause (i), the recipients of such MNPI are subject to the Policies or agree to hold confidential the MNPI in a manner substantially consistent with the terms of this Section 12 and that in the case of clauses (ii) through (v), such disclosure is required by law and you promptly notify the Corporation of such disclosure to the extent such Holder is legally permitted to give such notice.

(c) Each Holder, by its execution of a counterpart to this agreement or of a Joinder, hereby (i) acknowledges that it is aware that the U.S. securities laws prohibit any person who has MNPI about a company from purchasing or selling, directly or indirectly, securities of such company (including entering into hedge transactions involving such securities), or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities, and (ii) agrees that it will not use, and that it will use its reasonable efforts to assure that none of its representatives will use or permit any third party to use, any MNPI the Corporation provides in contravention of the U.S. securities laws and that it will cease trading in the Corporation's and the Company's securities while in possession of material non-public information.

(d) Each Holder shall have the right, at any time and from time to time (including after receiving information regarding any potential Public Offering), to elect not to receive any notice that the Corporation or any other Holders otherwise are required to deliver pursuant to this Agreement by delivering to the Corporation a written statement signed by such Holder that it does not want to receive any notices hereunder (an "***Opt-Out Request***"); in which case and notwithstanding anything to the contrary in this Agreement, for so long as such Opt-Out Request is in effect, (i) the Corporation and other Holders shall not be required to, and shall not, deliver any notice or other information required to be provided to Holders hereunder to the extent that the Corporation or such other Holders reasonably expect would result in a Holder acquiring MNPI and (ii) such Holder waives any right to participate in any registration covered by this Agreement. An Opt-Out Request may state a date on which it expires or, if no such date is specified, shall remain in effect indefinitely. A Holder who previously has given the Corporation an Opt-Out Request may revoke such request at any time, and there shall be no limit on the ability of a Holder to issue and revoke subsequent Opt-Out Requests; *provided* that each Holder shall use commercially reasonable efforts to minimize the administrative burden on the Corporation arising in connection with any such Opt-Out Requests.

Section 13. General Provisions.

(a) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Corporation and Holders holding a majority of the Registrable Securities; *provided* that no such amendment, modification or waiver that would materially and adversely affect a Holder in a manner materially different than any other Holder (*provided* that the accession by Additional Investors to this Agreement pursuant to Section 8 shall not be deemed to adversely affect any Holder), shall be effective against such Holder without the consent of such Holder that is materially and adversely affected thereby; and *provided further* that any amendment, modification or waiver that would materially and adversely affect the rights of the Controlling Holders shall also require the prior written consent of the Controlling Holders holding a majority of the Registrable Securities held by all Controlling Holders. The failure or delay of any Person to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such Person thereafter to enforce each and every provision of this Agreement in accordance with its terms. A waiver or consent to or of any breach or default by any Person in the performance by that Person of his, her or its obligations under this Agreement shall not be deemed to be a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person under this Agreement.

(b) Remedies. The parties to this Agreement shall be entitled to enforce their rights under this Agreement specifically (without posting a bond or other security), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that a breach of this Agreement would cause irreparable harm and money damages would not be an adequate remedy for any such breach and that, in addition to any other rights and remedies existing hereunder, any party shall be entitled to specific performance and/or other injunctive relief from any court of law or equity of competent jurisdiction (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited, invalid, illegal or unenforceable in any respect under any applicable law or regulation in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such prohibited, invalid, illegal or unenforceable provision had never been contained herein.

(d) Entire Agreement. Except as otherwise provided herein, this Agreement contains the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

(e) Successors and Assigns. This Agreement shall bind and inure to the benefit and be enforceable by the Corporation and its successors and assigns and the Holders and their respective successors and assigns (whether so expressed or not). In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit Holders are also for the benefit of, and enforceable by, any subsequent or successor Holder.

(f) Notices. Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when delivered personally to the recipient, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient but; if not, then on the next Business Day, (iii) one (1) Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) three (3) Business Days after it is mailed to the recipient by first class mail, return receipt requested. Such notices, demands and other communications shall be sent to the Corporation at the address specified below and to any Original Member or to any other party subject to this Agreement at such address as indicated on the Schedule of Investors, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Any party may change such party's address for receipt of notice by providing prior written notice of the change to the sending party as provided herein. The Corporation's address is:

Greenlane Holdings, Inc.
1095 Broken Sound Parkway, Suite 300
Boca Raton, Florida 33487
Attention: General Counsel
Email: dfischer@gnln.com

With a copy to:

Pryor Cashman LLP
7 Times Square, 40th Floor
New York, New York 10036
Attention: Jeffrey C. Johnson, Esq.
Facsimile: (212) 326-0806
Email: jjohnson@pryorcashman.com

or to such other address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party.

(g) Business Days. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the immediately following Business Day.

(h) Governing Law. The corporate law of the State of Delaware shall govern all issues and questions concerning the relative rights of the Corporation and its stockholders. All other issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(i) MUTUAL WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

(j) CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH OF THE PARTIES IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE CITY AND COUNTY OF NEW YORK BOROUGH OF MANHATTAN, FOR THE PURPOSES OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PARTY'S RESPECTIVE ADDRESS SET FORTH ABOVE SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS PARAGRAPH. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY IN THE STATE OR FEDERAL COURTS OF THE STATE OF NEVADA, AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION, SUIT OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(k) No Recourse. Notwithstanding anything to the contrary in this Agreement, the Corporation and each Holder agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement, shall be had against any current or future director, officer, employee, general or limited partner or member of any Holder or of any Affiliate or assignee thereof, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Holder or any current or future member of any Holder or any current or future director, officer, employee, partner or member of any Holder or of any Affiliate or assignee thereof, as such for any obligation of any Holder under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

(l) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than by limitation.

(m) No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(n) Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signature of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

(o) Electronic Delivery. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent executed and delivered by means of a photographic, photostatic, facsimile or similar reproduction of such signed writing using a facsimile machine or electronic mail shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(p) Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Holder shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

(q) No Inconsistent Agreements. The Corporation shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Holders in this Agreement.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this Registration Rights Agreement as of the date first written above.

GREENLANE HOLDINGS, INC.

By: _____
Name:
Title:

GREENLANE HOLDINGS, LLC

By: _____
Name:
Title:

ORIGINAL MEMBERS:

[_____]

By: _____
Name:
Title:

SCHEDULE OF INVESTORS

Holder	Controlling Holder	Member

EXHIBIT A

REGISTRATION RIGHTS AGREEMENT JOINDER

The undersigned is executing and delivering this Joinder pursuant to the Registration Rights Agreement dated as of [●], 2019 (as the same may hereafter be amended, the "***Registration Rights Agreement***"), among Greenlane Holdings, Inc., a Delaware corporation (the "***Corporation***"), and the other persons named as parties therein.

By executing and delivering this Joinder to the Corporation, and upon acceptance hereof by the Corporation upon the execution of a counterpart hereof, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Registration Rights Agreement as a Holder of Registrable Securities in the same manner as if the undersigned were an original signatory to the Registration Rights Agreement, and the undersigned's shares of Class A Common Stock shall be included as Registrable Securities under the Registration Rights Agreement to the extent provided therein. The Corporation is directed to add the address below the undersigned's signature on this Joinder to the Schedule of Investors attached to the Registration Rights Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of the day of , 20 .

Signature of Stockholder

Print Name of Stockholder
Its:

Address:

Agreed and Accepted as of
, 20

Greenlane Holdings, Inc.

By:
Name:
Its:

Exhibit 10.3

THIRD AMENDED AND RESTATED
OPERATING AGREEMENT

OF

GREENLANE HOLDINGS, LLC
a Delaware limited liability company

Dated as of [●], 2019

THE SECURITIES REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

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THIRD AMENDED AND RESTATED
OPERATING AGREEMENT
OF
GREENLANE HOLDINGS, LLC

This THIRD AMENDED AND RESTATED OPERATING AGREEMENT (this "***Agreement***"), dated as of [●], 2019, is entered into by and among Greenlane Holdings, LLC, a Delaware limited liability company (the "***Company***"), and its Members (as defined herein).

WHEREAS, the Company was formed as a Delaware limited liability company under the name of "Jacoby Holdings LLC" on September 2, 2015 by the filing of the Certificate of Formation of the Company with the Secretary of State of the State of Delaware; and

WHEREAS, the Company entered into a Second Amended and Restated Operating Agreement of the Company, dated as of February 20, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time to but excluding the date hereof, together with all schedules, exhibits and annexes thereto, the "***Prior Operating Agreement***"), with the members of the Company party thereto (including pursuant to consent and joinders thereto) (collectively, the "***Original Members***"); and

WHEREAS, the Company changed its name to "Greenlane Holdings, LLC" on June 27, 2018 by the filing of an amendment to the Certificate of Formation of the Company with the Secretary of State of the State of Delaware; and

WHEREAS, the Original Members hold Class A Units and Class B Units (each as defined in the Prior Operating Agreement, respectively, the "***Original Class A Units***" and the "***Original Class B Units***," respectively, and collectively, the "***Original Units***") of the Company; and

WHEREAS, the Company desires to have Greenlane Holdings, Inc., a Delaware corporation (the "***Corporation***"), effect an initial public offering (the "***IPO***") of shares of its Class A common stock, par value $0.01 (the "***Class A Common Stock***"), and in connection therewith, to amend and restate the Prior Operating Agreement as of the Effective Time (as defined herein) to reflect (a) a recapitalization of the Company (as set forth in Section 3.03 hereof) (the "***Recapitalization***"), (b) the addition of the Corporation as a Member of the Company and its designation as sole Manager (as defined herein) of the Company, and (c) the rights and obligations of the Members of the Company that are enumerated and agreed upon in the terms of this Agreement effective as of the Effective Time, at which time the Prior Operating Agreement shall be superseded entirely by this Agreement; and

WHEREAS, in connection with the Recapitalization and as of the Effective Time, the Original Units of each Original Member will be canceled and Common Units (as defined herein) will be issued as contemplated by this Agreement; and

WHEREAS, the Original Members are the members of the Company as of the Effective Time and after giving effect to the Recapitalization; and

WHEREAS, in connection with the IPO, the Corporation will (i) sell shares of its Class A Common Stock to public investors in the IPO and will use the net proceeds received from the IPO (the "***IPO Net Proceeds***") to purchase newly-issued Common Units from the Company pursuant to the IPO Common Unit Subscription Agreement, (ii) issue shares of Class A Common Stock upon the redemption by certain of the Original Members of an aggregate of [●] Common Units and deliver such shares of Class A Common Stock to the underwriters upon the direction of such Original Members pursuant to the IPO Common Unit Redemption Agreement and (iii) issue shares of Class A Common Stock to the Convertible Noteholders (as defined herein) in consideration of the receipt of newly-issued Common Units from the Company pursuant to the IPO Common Unit Subscription Agreement; and

WHEREAS, in connection with the IPO, the Corporation may issue additional shares of Class A Common Stock to or upon the order of certain of the Original Members upon the redemption of Common Units pursuant to the IPO Common Unit Redemption Agreement as a result of the exercise by the underwriters of their over-allotment option (the "***Over-Allotment Option***").

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Members, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

The following definitions shall be applied to the terms used in this Agreement for all purposes, unless otherwise clearly indicated to the contrary.

"***10% Member***" means (i) a Member that holds Units representing a direct Percentage Interest of at least 10% or (ii) a Person that holds, directly and/or indirectly and together with such Person's Affiliates, Units representing a Percentage Interest of at least 10% provided that the Company has knowledge that such Person (together with such Person's Affiliates) holds, directly and/or indirectly, Units representing a Percentage Interest of at least 10%.

"***Act***" means the Delaware Limited Liability Company Act, as amended from time to time, or any corresponding provision or provisions of any succeeding or successor law of the State of Delaware; *provided*, *however*, that any amendment to the Act, or any succeeding or successor law, is applicable to the Company only if the Company has elected to be governed by the Act as so amended or by such succeeding or successor law, as the case may be. The term "Act" shall refer to the Act as so amended or to such succeeding or successor law only after the appropriate election by the Company, if made, has become effective.

"***Additional Member***" has the meaning set forth in Section 12.02.

"***Adjusted Capital Account Deficit***" means with respect to the Capital Account of any Member as of the end of any Taxable Year, the amount by which the balance in such Capital Account is less than zero. For this purpose, such Member's Capital Account balance shall be:

(a) reduced for any items described in Treasury Regulation Section 1.704- 1(b)(2)(ii)(d)(4), (5), and (6); and

(b) increased for any amount such Member is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (relating to partner liabilities to a partnership) or 1.704-2(g)(1) and 1.704-2(i) (relating to minimum gain).

"***Admission Date***" has the meaning set forth in Section 10.06.

"***Affiliate***" (and, with a correlative meaning, "***Affiliated***") means, with respect to a specified Person, each other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. As used in this definition and the definition of Majority Member, "control" (including with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of voting securities or by contract or other agreement).

"***Agreement***" has the meaning set forth in the recitals to this Agreement.

"***Appraisers***" has the meaning set forth in Section 15.02.

"***Assignee***" means a Person to whom a Company Interest has been transferred but who has not become a Member pursuant to Article XII.

"***Assumed Tax Liability***" means, with respect to a Member, an amount equal to the Distribution Tax Rate multiplied by the estimated or actual taxable income of the Company, as determined for federal income tax purposes, allocated to such Member pursuant to Section 5.05 for the period to which the Assumed Tax Liability relates as determined for federal income tax purposes to the extent not previously taken into account in determining the Assumed Tax Liability of such Member, as reasonably determined by the Manager; *provided* that, in the case of the Corporation, such Assumed Tax Liability (i) shall be computed without regard to any increases to the tax basis of the Company's property pursuant to Section 743(b) of the Code and (ii) shall in no event be less than an amount that will enable the Corporation to meet its tax obligations, including its obligations pursuant to the Tax Receivable Agreement, for the relevant taxable year.

"***Base Rate***" means, on any date, a variable rate per annum equal to the rate of interest most recently published by The Wall Street Journal as the "prime rate" at large U.S. money center banks.

"***Black-Out Period***" means any "black-out" or similar period under the Corporation's policies covering trading in the Corporation's securities to which the applicable Redeeming Member is subject, which period restricts the ability of such Redeeming Member to immediately resell shares of Class A Common Stock to be delivered to such Redeeming Member in connection with a Share Settlement.

"***Book Value***" means, with respect to any Company property, the Company's adjusted basis for U.S. federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulation Section 1.704-1(b)(2)(iv)(d)-(g).

"***Business Day***" means any day other than a Saturday or a Sunday or a day on which banks located in New York City, New York generally are authorized or required by Law to close.

"***Capital Account***" means the capital account maintained for a Member in accordance withSection 5.01.

"***Capital Contribution***" means, with respect to any Member, the amount of any cash, cash equivalents, promissory obligations or the Fair Market Value of other property that such Member contributes (or is deemed to contribute) to the Company pursuant to Article III hereof.

"***Cash Settlement***" means immediately available funds in U.S. dollars in an amount equal to the Redeemed Units Equivalent.

"***Certificate***" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Delaware in accordance with the Act, as such Certificate may be amended from time to time in accordance with the Act.

"***Change of Control Transaction***" means (a) a sale of all or substantially all of the Company's assets determined on a consolidated basis, or (b) a sale of a majority of the Company's outstanding Units (other than (i) to the Corporation or (ii) in connection with a Redemption or Exchange in accordance with Article XI); in any such case, whether by merger, recapitalization, consolidation, reorganization, combination or otherwise; *provided, however*, that neither (w) a transaction solely between the Company or any of its Subsidiaries, on the one hand, and the Company or any of its Subsidiaries, on the other hand, nor (x) a transaction solely for the purpose of changing the jurisdiction of domicile of the Company, nor (y) a transaction solely for the purpose of changing the form of entity of the Company, nor (z) a sale of a majority of the outstanding shares of Class A Common Stock, whether by merger, recapitalization, consolidation, reorganization, combination or otherwise, shall in each case of clauses (w), (x), (y) and (z) constitute a Change of Control Transaction.

"***Class A Common Stock***" has the meaning set forth in the recitals to this Agreement.

"***Class B Common Stock***" means the Class B Common Stock, par value $0.0001 per share, of the Corporation.

"***Class C Common Stock***" means the Class C Common Stock, par value $0.0001 per share, of the Corporation.

"***Code***" means the United States Internal Revenue Code of 1986, as amended.

"***Common Unit***" means a Unit representing a fractional part of the Company Interests of the Members and having the rights and obligations specified with respect to the Common Units in this Agreement.

"***Common Unit Redemption Price***" means the arithmetic average of the volume weighted average prices for a share of Class A Common Stock on the principal securities exchange on which the Class A Common Stock is traded or quoted, as reported by Bloomberg, L.P., or its successor, for each of the five (5) consecutive full Trading Days ending on and including the last full Trading Day immediately prior to the Redemption Date, subject to appropriate and equitable adjustment for any stock splits, reverse splits, stock dividends or similar events affecting the Class A Common Stock. If the Class A Common Stock no longer trades on a securities exchange or automated or electronic quotation system, then a majority of the Independent Directors shall determine the Common Unit Redemption Price in good faith.

"***Common Unitholder***" means a Member who is the registered holder of Common Units.

"***Company***" has the meaning set forth in the recitals to this Agreement.

"***Company Interest***" means the interest of a Member in Profits, Losses and Distributions.

"***Contribution Notice***" has the meaning set forth in Section 11.01(b).

"***Convertible Note***" means a Convertible Promissory Note of the Company issued by the Company pursuant to that certain Note Purchase Agreement dated as of December 21, 2018 among the Company and the investors named therein.

"***Convertible Noteholder***" means each Person that is a registered holder of a Convertible Note.

"***Corporate Board***" means the Board of Directors of the Corporation.

"***Corporate Incentive Award Plan***" means the Greenlane Holdings, Inc. 2019 Equity Incentive Plan, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"***Corporation***" has the meaning set forth in the recitals to this Agreement, together with its successors and assigns.

"***Credit Agreement***" means that certain Amended and Restated Credit Agreement, dated as of October 1, 2018, by and among the Company and 1095 Broken Sound Parkway LLC, as borrowers, and Fifth Third Bank, as the lender, including all exhibits, schedules and attachments thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time and including any one or more refinancings or replacements thereof, in whole or in part, with any other debt facility or debt obligation.

"***Direct Exchange***" has the meaning set forth in Section 11.03(a).

"***Distributable Cash***" shall mean, as of any relevant date on which a determination is being made by the Manager regarding a potential distribution pursuant to Section 4.01(a), the amount of cash that could be distributed by the Company for such purposes in accordance with the Credit Agreement (and without otherwise violating any applicable provisions of the Credit Agreement).

"***Distribution***" (and, with a correlative meaning, "***Distribute***") means each distribution made by the Company to a Member with respect to such Member's Units, whether in cash, property or securities of the Company and whether by liquidating distribution or otherwise; *provided, however*, that none of the following shall be a Distribution: (a) any recapitalization that does not result in the distribution of cash or property to Members or any exchange of securities of the Company, and any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any outstanding Units (b) any payments made by the Company to the Manager pursuant to Section 6.06, or (c) any other payment made by the Company to a Member that is not properly treated as a "distribution" for purposes of Sections 731, 732, or 733 or other applicable provisions of the Code.

"***Distribution Tax Rate***" shall mean, for any Fiscal Year, a rate equal to the highest effective marginal combined federal, state and local income tax rate applicable to corporate or individual taxpayers that may potentially apply to any Member for such Fiscal Year taking into account (i) any deductions pursuant to Section 199A of the Code, and (ii) the character of the relevant tax items (*e.g.,* ordinary or capital), as reasonably determined by the Manager. For the avoidance of doubt, the Company shall use the same Distribution Tax Rate for determining the Assumed Tax Liability for each Member with respect to any particular item of income or gain, regardless of whether the Member is a corporation, individual, partnership, trust, estate or other juridical entity.

"***Effective Time***" has the meaning set forth in Section 16.15.

"***Equity Plan***" means any option, stock, unit, stock unit, appreciation right, phantom equity or other incentive equity or equity-based compensation plan or program, in each case, now or hereafter adopted by the Company or the Corporation, including the Corporate Incentive Award Plan.

"***Equity Securities***" means (a) Units or other equity interests in the Company or any Subsidiary of the Company (including other classes or groups thereof having such relative rights, powers and duties as may from time to time be established by the Manager pursuant to the provisions of this Agreement, including rights, powers and/or duties senior to existing classes and groups of Units and other equity interests in the Company or any Subsidiary of the Company), (b) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into Units or other equity interests in the Company or any Subsidiary of the Company, and (c) warrants, options or other rights to purchase or otherwise acquire Units or other equity interests in the Company or any Subsidiary of the Company.

"***Event of Withdrawal***" means the expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company. "Event of Withdrawal" shall not include an event that (a) terminates the existence of a Member for income tax purposes (including (i) a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, (ii) a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or (iii) merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member) but that (b) does not terminate the existence of such Member under applicable state law (or, in the case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Company Interests of such trust that is a Member).

"***Exchange Act***" has the meaning set forth in Section 6.10.

"***Exchange Election Notice***" has the meaning set forth in Section 11.03(b).

"***Fair Market Value***" means, with respect to any asset, its fair market value determined according to Article XV.

"***Fiscal Period***" means any interim accounting period within a Taxable Year established by the Company and which is permitted or required by Section 706 of the Code.

"***Fiscal Year***" means the Company's annual accounting period established pursuant to Section 8.02.

"***Founder Members***" refer to Adam Schoenfeld and Jacoby & Co., Inc.

"***Governmental Entity***" means (a) the United States of America, (b) any other sovereign nation, (c) any state, province, district, territory or other political subdivision of (a) or (b) of this definition, including any county, municipal or other local subdivision of the foregoing, or (d) any entity exercising executive, legislative, judicial, regulatory or administrative functions of government on behalf of (a), (b) or (c) of this definition.

"***Indemnified Person***" has the meaning set forth in Section 7.04(a).

"***Independent Directors***" means the members of the Corporate Board who are "independent" under the standards of the principal U.S. securities exchange on which the Class A Common Stock is traded or quoted.

"***Investment Company Act***" means the U.S. Investment Company Act of 1940, as amended from time to time.

"***IPO***" has the meaning set forth in the recitals to this Agreement.

"***IPO Closing Date***" means the closing date of the IPO, which for the avoidance of doubt means the date on which all IPO Net Proceeds required to be delivered pursuant to the Underwriting Agreement have been delivered to the Corporation in respect of its sale of Class A Common Stock.

"***IPO Common Unit Redemption***" has the meaning set forth in Section 3.03(b).

"***IPO Common Unit Redemption Agreement***" means that certain Common Unit Redemption Agreement, dated as of the date hereof, by and among the Corporation and the Original Members that are parties thereto.

"***IPO Common Unit Subscription***" has the meaning set forth in Section 3.3(b).

"***IPO Common Unit Subscription Agreement***" means that certain Common Unit Subscription agreement, dated as of the date hereof, by and between the Corporation and the Company.

"***IPO Net Proceeds***" has the meaning set forth in the recitals to this Agreement.

"***Joinder***" means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

"***Law***" means all laws, statutes, ordinances, rules and regulations of the United States, any foreign country and each state, commonwealth, city, county, municipality, regulatory body, agency or other political subdivision thereof.

"***Losses***" means items of Company loss or deduction determined according to Section 5.01(b).

"***Majority Members***" means the Members (which may include the Manager) holding a majority of the Voting Units then outstanding; *provided* that, if as of any date of determination, a majority of the Voting Units are then held by the Manager or any Affiliates controlled by the Manager, then "Majority Members" shall mean the Manager together with Members (other than the Manager and its controlled Affiliates) holding a majority of the Voting Units (excluding Voting Units held by the Manager) then outstanding.

"***Manager***" has the meaning set forth in Section 6.01.

"***Material Subsidiary***" means any direct or indirect Subsidiary of the Company that, as of any date of determination, represents more than (a) 50% of the consolidated net tangible assets of the Company or (b) 50% of the consolidated net income of the Company before interest, taxes, depreciation and amortization (calculated in a manner substantially consistent with the definition of "Consolidated Net Income" and/or "Consolidated EBITDA" or similar definition(s) appearing therein in the Credit Agreement).

"***Member***" means, as of any date of determination, (a) each Person named on the Schedule of Members and (b) any Person admitted to the Company as a Substituted Member or Additional Member in accordance with Article XII, but in each case only so long as such Person is shown on the Company's books and records as the owner of one or more Units.

"***Minimum Gain***" means "partnership minimum gain" determined pursuant to Treasury Regulation Section 1.704-2(d).

"***Net Loss***" means, with respect to a Fiscal Year, the excess if any, of Losses for such Fiscal Year over Profits for such Fiscal Year (excluding Profits and Losses specially allocated pursuant to Section 5.03 and Section 5.04).

"***Net Profit***" means, with respect to a Fiscal Year, the excess if any, of Profits for such Fiscal Year over Losses for such Fiscal Year (excluding Profits and Losses specially allocated pursuant to Section 5.03 and Section 5.04).

"***Officer***" has the meaning set forth in Section 6.01(b).

"***Original Class A Units***" has the meaning set forth in the recitals to this Agreement.

"***Original Class B Units***" has the meaning set forth in the recitals to this Agreement.

"***Original Members***" has the meaning set forth in the recitals to this Agreement.

"***Original Units***" has the meaning set forth in the recitals to this Agreement.

"***Other Agreements***" has the meaning set forth in Section 10.04.

"***Over-Allotment Option***" has the meaning set forth in the recitals to this Agreement.

"***Partnership Representative***" has the meaning set forth in Section 9.03.

"***Percentage Interest***" means, as among an individual class of Units and with respect to a Member at a particular time, such Member's percentage interest in the Company determined by dividing such Member's Units of such class by the total Units of all Members of such class at such time. The Percentage Interest of each member shall be calculated to the 4th decimal place.

"***Permitted Transfer***" has the meaning set forth in Section 10.02.

"***Person***" means an individual or any corporation, partnership, limited liability company, trust, unincorporated organization, association, joint venture or any other organization or entity, whether or not a legal entity.

"***Prior Operating Agreement***" has the meaning set forth in the recitals to this Agreement.

"***Pro rata***," "***pro rata portion***," "***according to their interests***," "***ratably***," "***proportionately***," "***proportional***," "***in proportion to***," "***based on the number of Units held***," "***based upon the percentage of Units held***," "***based upon the number of Units outstanding***," and other terms with similar meanings, when used in the context of a number of Units of the Company relative to other Units, means as amongst an individual class of Units, pro rata based upon the number of such Units within such class of Units.

"***Profits***" means items of Company income and gain determined according to Section 5.01(b).

"***Pubco Offer***" has the meaning set forth in Section 10.09.

"***Quarterly Redemption Date***" means, for each quarter beginning with the fiscal quarter during which this Agreement is executed and delivered, the latest to occur of either: (a) the second Business Day after the date on which the Corporation makes a public news release of its quarterly earnings for the prior quarter, (b) the first day of each quarter on which directors and executive officers of the Corporation are permitted to trade under the applicable policies of the Corporation related to trading by directors and executive officers, or (c) such other date as the Corporation shall determine in its sole discretion. The Corporation will deliver notice of the Quarterly Redemption Date to each Member (other than the Corporation) at least seventy-five (75) days prior to each Quarterly Redemption Date.

"***Recapitalization***" has the meaning set forth in the recitals to this Agreement.

"***Redeemed Units***" has the meaning set forth in Section 11.01(a).

"***Redeemed Units Equivalent***" means the product of (a) the Share Settlement, times (b) the Common Unit Redemption Price.

"***Redeeming Member***" has the meaning set forth in Section 11.01(a).

"***Redemption***" has the meaning set forth in Section 11.01(a).

"***Redemption Settlement Agreement***" means that certain Stock Redemption Settlement Agreement dated as of December 21, 2018 among the Company and the Original Members named therein.

"***Redemption Date***" has the meaning set forth in Section 11.01(a).

"***Redemption Notice***" has the meaning set forth in Section 11.01(a).

"***Redemption Right***" has the meaning set forth in Section 11.01(a).

"***Redemption Settlement***" means the settlement of the redemption of Common Units from certain of the Original Members required by the Redemption Settlement Agreement.

"***Registration Rights Agreement***" means that certain Registration Rights Agreement, dated as of the date hereof, by and among the Corporation and the Original Members (together with any joinder thereto from time to time by any successor or assign to any party to such Agreement).

"***Restricted Taxable Year***" shall mean (i) the Taxable Year of the Company ending December 31, 2020, unless the Manager determines otherwise and notifies the Members prior to December 31, 2019, and (ii) any Taxable Year during which the Manager determines the Company does not satisfy the private placement safe harbor of Treasury Regulations Section 1.7704-1(h).

"***Retraction Notice***" has the meaning set forth in Section 11.01(b).

"***Schedule of Members***" has the meaning set forth in Section 3.01(b).

"***SEC***" means the U.S. Securities and Exchange Commission, including any governmental body or agency succeeding to the functions thereof.

"***Securities Act***" means the U.S. Securities Act of 1933, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future Law.

"***Share Settlement***" means a number of shares of Class A Common Stock equal to the number of Redeemed Units.

"***Sponsor Person***" has the meaning set forth in Section 7.04(d).

"***Subsidiary***" means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the voting interests thereof are at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, references to a "Subsidiary" of the Company shall be given effect only at such times that the Company has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company.

"***Substituted Member***" means a Person that is admitted as a Member to the Company pursuant toSection 12.01.

"***Tax Distribution Date***" has the meaning set forth inSection 4.01(b)(i).

"***Tax Distributions***" has the meaning set forth inSection 4.01(b)(i).

"***Tax Receivable Agreement***" means that certain Tax Receivable Agreement, dated as of the date hereof, by and among the Corporation, on the one hand, and the Original Members, on the other hand (together with any joinder thereto from time to time by any successor or assign to any party to such Agreement).

"***Taxable Year***" means the Company's accounting period for U.S. federal income tax purposes determined pursuant toSection 9.02.

"***Trading Day***" means a day on which the principal U.S. securities exchange on which the Class A Common Stock is traded or quoted is open for the transaction of business (unless such trading shall have been suspended for the entire day).

"***Transfer***" (and, with a correlative meaning, "***Transferring***") means any sale, transfer, assignment, pledge, encumbrance or other disposition of (whether directly or indirectly, whether with or without consideration and whether voluntarily or involuntarily or by operation of Law) (a) any interest (legal or beneficial) in any Equity Securities or (b) any equity or other interest (legal or beneficial) in any Member if substantially all of the assets of such Member consist solely of Units.

"***Treasury Regulations***" means the income tax regulations promulgated under the Code and any corresponding provisions of succeeding regulations.

"***Underwriting Agreement***" means the Underwriting Agreement, dated as of [●], 2019, by and among the Corporation, the Original Members that are parties to the IPO Common Unit Redemption Agreement, and Cowen and Company, LLC and Canaccord Genuity LLC, as Representatives of the several Underwriters name therein.

"***Unit***" means a Company Interest of a Member or a permitted Assignee in the Company representing a fractional part of the Company Interests of all Members and Assignees as may be established by the Manager from time to time in accordance with Section 3.02; *provided, however*, that any class or group of Units issued shall have the relative rights, powers and duties set forth in this Agreement, and the Company Interest represented by such class or group of Units shall be determined in accordance with such relative rights, powers and duties.

"***Unitholder***" means a Common Unitholder and any Member who is the registered holder of any other class of Units, if any.

"***Unvested Corporate Shares***" means shares of Class A Common Stock issued pursuant to an Equity Plan that are not Vested Corporate Shares.

"***Vested Corporate Shares***" means the shares of Class A Common Stock issued pursuant to an Equity Plan that are vested pursuant to the terms thereof or any award or similar agreement relating thereto.

"***Voting Units***" means (a) the Common Units and (b) any other Units other than Units that by their express terms do not entitle the record holder thereof to vote on any matter presented to the Members generally under this Agreement for approval; provided that (i) no vote by Voting Units shall have the power to override any action taken by the Manager or to remove or replace the Manager, (ii) the Voting Units have no ability to take part in the conduct or control of the Company's business and (iii) notwithstanding any vote by Voting Units hereunder, the Manager shall retain exclusive management power over the business and affairs of the Company in accordance with Section 6.01(a).

ARTICLE II
ORGANIZATIONAL MATTERS

Section 2.01 Formation of Company. The Company was formed on September 2, 2015 pursuant to the provisions of the Act.

Section 2.02 Third Amended and Restated Operating Agreement. The Members hereby execute this Agreement for the purpose of establishing the affairs of the Company and the conduct of its business in accordance with the provisions of the Act. The Members hereby agree that during the term of the Company set forth in Section 2.06 the rights and obligations of the Members with respect to the Company will be determined in accordance with the terms and conditions of this Agreement and the Act. On any matter upon which this Agreement is silent, the Act shall control. No provision of this Agreement shall be in violation of the Act and to the extent any provision of this Agreement is in violation of the Act, such provision shall be void and of no effect to the extent of such violation without affecting the validity of the other provisions of this Agreement; provided, however, that where the Act provides that a provision of the Act shall apply "unless otherwise provided in the operating agreement" or words of similar effect, the provisions of this Agreement shall in each instance control.

Section 2.03 Name. The name of the Company shall be "Greenlane Holdings, LLC". The Manager in its sole discretion may change the name of the Company at any time and from time to time. Notification of any such change shall be given to all of the Members and, to the extent practicable, to all of the holders of any Equity Securities then outstanding. The Company's business may be conducted under its name and/or any other name or names deemed advisable by the Manager.

Section 2.04 Purpose. The primary business and purpose of the Company shall be to engage in such activities as are permitted under the Act and determined from time to time by the Manager in accordance with the terms and conditions of this Agreement.

Section 2.05 Principal Office; Registered Agent. The principal office of the Company shall be at 1095 Broken Sound Parkway, Suite 300, Boca Raton, Florida 33487, or such other place as the Manager may from time to time designate. The registered agent for service of process on the Company in the State of Delaware, and the address of such agent, shall be c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware, 19904. The Manager may from time to time change the Company's registered agent in the State of Delaware.

Section 2.06 Term. The term of the Company commenced upon the filing of the Certificate in accordance with the Act and shall continue in existence until termination and dissolution of the Company in accordance with the provisions of Article XIV.

Section 2.07 No State-Law Partnership. The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes other than as set forth in the last sentence of this Section 2.07, and neither this Agreement nor any other document entered into by the Company or any Member relating to the subject matter hereof shall be construed to suggest otherwise. The Members intend that the Company shall be treated as a partnership for U.S. federal and, if applicable, state or local income tax purposes, and that each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

ARTICLE III
MEMBERS; UNITS; CAPITALIZATION

Section 3.01 Members.

(a) Each Original Member previously was admitted as a Member and shall remain a Member of the Company upon the Effective Time.

(b) The Company shall maintain a schedule setting forth: (i) the name and address of each Member; and (ii) the aggregate number of outstanding Units and the number and class of Units held by each Member (such schedule, the "***Schedule of Members***"). The applicable Schedule of Members in effect as of the Effective Time and after giving effect to the Recapitalization and the Redemption Settlement is set forth as Schedule 2 attached to this Agreement. Upon any change in the number or ownership of outstanding Units (whether upon an issuance of Units, a Transfer of Units, a redemption or exchange of Units or otherwise), the Company shall amend and update the Schedule of Members. The Schedule of Members shall be the definitive record of ownership of each Unit of the Company and all relevant information with respect to each Member. Any reference in this Agreement to the Schedule of Members shall be deemed a reference to the Schedule of Members as amended and as in effect from time to time. The Company shall be entitled to recognize the exclusive right of a Person registered on its records as the owner of Units for all purposes and shall not be bound to recognize any equitable or other claim to or interest in Units on the part of any other Person, whether or not it shall have express or other notice thereof, except as otherwise provided by the Act.

(c) No Member shall be required or, except as approved by the Manager pursuant toSection 6.01 and in accordance with the other provisions of this Agreement, permitted to loan any money or property to the Company or borrow any money or property from the Company.

Section 3.02 Units. Interests in the Company shall be represented by Units, or such other securities of the Company, in each case as the Manager may establish in its discretion in accordance with the terms and subject to the restrictions hereof. Immediately after the Effective Time, the Units will be comprised of a single class of Common Units (with an aggregate of [●] Common Units being authorized for issuance by the Company). To the extent required pursuant to Section 3.04(a), the Manager may create one or more classes or series of Common Units or preferred Units solely to the extent they are in the aggregate substantially equivalent to a class of common stock of the Corporation or class or series of preferred stock of the Corporation; provided that as long as there are any Members of the Company (other than the Corporation), then no such new class or series of Units may deprive such Members of, or dilute or reduce, the pro rata share of all Company Interests they would have received or to which they would have been entitled if such new class or series of Units had not been created except to the extent (and solely to the extent) the Company actually receives cash in an aggregate amount, or other property with a Fair Market Value in an aggregate amount, equal to the pro rata share of Company Interests allocated to such new class or series of Units and the number thereof issued by the Company.

Section 3.03 Recapitalization; the Corporation's Capital Contribution; the Corporation's Purchase of Common Units

(a) The number of Original Class A Units and Original Class B Units that in each case are issued and outstanding and will be held by the Original Members immediately prior to the Effective Time are set forth opposite the names of the respective Original Members on Schedule 1 attached to this Agreement. In connection with the Recapitalization, all of such Original Units are hereby converted, as of the Effective Time, and after giving effect to the Recapitalization and the Redemption Settlement, into the number of Common Units set forth opposite the names of the respective Members on the Schedule of Members attached hereto as Schedule 2, and such Common Units will be issued and outstanding as of the Effective Time and the holders of such Common Units shall continue as Members. Any Common Units issued to the holders of Original Class B Units in respect of the Original Class B Units that are subject to vesting immediately prior to the Effective Time shall be subject to continued vesting as set forth in any agreement governing the issuance of such Original Class B Units.

(b) Following the Recapitalization, immediately upon the Effective Time, the Corporation will acquire (i) [●] newly-issued Common Units in exchange for a portion of the IPO Net Proceeds payable to the Company upon consummation of the IPO pursuant to the IPO Common Unit Subscription Agreement with the Company (the "***IPO Common Unit Subscription***"), (ii) [●] existing Common Units from the Original Members that are parties to the IPO Common Unit Redemption Agreement upon redemption of such Common Units by such Original Members upon consummation of the IPO pursuant to the IPO Common Unit Redemption Agreement (the "***IPO Common Unit Redemption***") and (iii) [●] newly-issued Common Units in consideration of the contribution of the Convertible Notes to the Company by the Corporation and the issuance of shares of Class A Common Stock to the Convertible Noteholders in consideration of the contribution of the Convertible Notes by the Convertible Noteholders to the Corporation pursuant to the terms of the Convertible Notes and the IPO Common Unit Subscription Agreement. The IPO Common Unit Subscription and the IPO Common Unit Redemption shall be reflected on the Schedule of Members. In addition, to the extent the underwriters in the IPO exercise the Over-Allotment Option in whole or in part, upon the exercise of the Over-Allotment Option, the Corporation will acquire existing Common Units from the Original Members that are parties to the IPO Common Unit Redemption Agreement pursuant to the IPO Common Unit Redemption Agreement, and such existing Common Units shall be reflected on the Schedule of Members (the "***Over-Allotment Redemption***"). The number of Common Units acquired in the Over-Allotment Redemption, in the aggregate, shall be equal to the number of shares of Class A Common Stock issued by the Corporation in connection with such redemption upon such exercise of the Over-Allotment Option. For the avoidance of doubt, the Corporation shall be admitted as a Member with respect to all Common Units it holds from time to time. The parties hereto acknowledge and agree that the IPO Common Unit Subscription and the IPO Common Unit Redemption will result in a "reevaluation of partnership property" and corresponding adjustments to Capital Account balances as described in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations.

Section 3.04 Authorization and Issuance of Additional Units.

(a) The Company shall undertake all actions requested by the Manager, including a reclassification, distribution, division or recapitalization, with respect to the Common Units, to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, disregarding, for purposes of maintaining the one-to-one ratio, (i) Unvested Corporate Shares, (ii) treasury stock, or (iii) preferred stock or other debt or equity securities (including warrants, options or rights) issued by the Corporation that are convertible into or exercisable or exchangeable for Class A Common Stock (except to the extent the net proceeds from such other securities, including any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of the Company). In the event the Corporation issues, transfers or delivers from treasury stock or repurchases Class A Common Stock in a transaction not contemplated in this Agreement, the Manager shall take all actions such that, after giving effect to all such issuances, transfers, deliveries or repurchases, the number of outstanding Common Units owned by the Corporation will equal on a one-for-one basis the number of outstanding shares of Class A Common Stock, subject to the immediately preceding sentence. In the event the Corporation issues, transfers or delivers from treasury stock or repurchases or redeems the Corporation's preferred stock in a transaction not contemplated in this Agreement, the Manager shall have the authority to take all actions such that, after giving effect to all such issuances, transfers, deliveries, repurchases or redemptions, the Corporation holds (in the case of any issuance, transfer or delivery) or ceases to hold (in the case of any repurchase or redemption) equity interests in the Company which (in the good faith determination by the Manager) are in the aggregate substantially equivalent to the outstanding preferred stock of the Corporation so issued, transferred, delivered, repurchased or redeemed. The Company shall not undertake any subdivision (by any Common Unit split, Common Unit distribution, reclassification, recapitalization or similar event) or combination (by reverse Common Unit split, reclassification, recapitalization or similar event) of the Common Units that is not accompanied by an identical subdivision or combination of Class A Common Stock to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Common Units owned by the Corporation and the number of outstanding shares of Class A Common Stock, as contemplated by the first sentence of this Section 3.04(a).

(b) The Company shall only be permitted to issue additional Units or other Equity Securities in the Company to the Persons and on the terms and conditions provided for in Section 3.02, this Section 3.04, Section 3.10 and Section 3.11. Subject to the foregoing, the Manager may cause the Company to issue additional Common Units authorized under this Agreement at such times and upon such terms as the Manager shall determine and the Manager shall amend this Agreement as necessary in connection with the issuance of additional Common Units and admission of additional Members under this Section 3.04 without the requirement of any consent or acknowledgement of any other Member.

Section 3.05 Repurchase or Redemption of Shares of Class A Common Stock. If, at any time, any shares of Class A Common Stock are repurchased or redeemed (whether by exercise of a put or call, automatically or by means of another arrangement) by the Corporation for cash, then the Manager shall cause the Company, immediately prior to such repurchase or redemption of Class A Common Stock, to redeem a corresponding number of Common Units held by the Corporation, at an aggregate redemption price equal to the aggregate purchase or redemption price of the shares of Class A Common Stock being repurchased or redeemed by the Corporation (plus any expenses related thereto) and upon such other terms as are the same for the shares of Class A Common Stock being repurchased or redeemed by the Corporation. Notwithstanding any provision to the contrary in this Agreement, the Company shall not make any repurchase or redemption if such repurchase or redemption would violate any applicable Law.

Section 3.06 Certificates Representing Units; Lost, Stolen or Destroyed Certificates; Registration and Transfer of Units

(a) Units shall not be certificated unless otherwise determined by the Manager. If the Manager determines that one or more Units shall be certificated, each such certificate shall be signed by or in the name of the Company, by the Chief Executive Officer and any other officer designated by the Manager, representing the number of Units held by such holder. Such certificate shall be in such form (and shall contain such legends) as the Manager may determine. Any or all of such signatures on any certificate representing one or more Units may be a facsimile, engraved or printed, to the extent permitted by applicable Law. The Manager agrees that it shall not elect to treat any Unit as a "security" within the meaning of Article 8 of the Uniform Commercial Code of any applicable jurisdiction unless thereafter all Units then outstanding are represented by one or more certificates.

(b) If Units are certificated, the Manager may direct that a new certificate representing one or more Units be issued in place of any certificate theretofore issued by the Company alleged to have been lost, stolen or destroyed, upon delivery to the Manager of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Manager may require the owner of such lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

(c) Upon surrender to the Company or the transfer agent of the Company, if any, of a certificate for one or more Units, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, in compliance with the provisions hereof, the Company shall issue a new certificate representing one or more Units to the Person entitled thereto, cancel the old certificate and record the transaction upon its books. Subject to the provisions of this Agreement, the Manager may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, Transfer and registration of Units.

Section 3.07 Negative Capital Accounts. No Member shall be required to pay to any other Member or the Company any deficit or negative balance which may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

Section 3.08 No Withdrawal. No Person shall be entitled to withdraw any part of such Person's Capital Contribution or Capital Account or to receive any Distribution from the Company, except as expressly provided in this Agreement.

Section 3.09 Loans From Members. Loans by Members to the Company shall not be considered Capital Contributions. Subject to the provisions of Section 3.01(c), the amount of any such advances shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such advances are made.

Section 3.10 Corporation Stock Incentive Plans. Nothing in this Agreement shall be construed or applied to preclude or restrain the Corporation from adopting, modifying or terminating an Equity Plan or from issuing shares of Class A Common Stock pursuant to any such Equity Plans. The Corporation may implement such Equity Plans and any actions taken under such Equity Plans (such as the grant or exercise of options to acquire shares of Class A Common Stock, or the issuance of Unvested Corporate Shares), whether taken with respect to or by an employee or other service provider of the Corporation, the Company or its Subsidiaries, in a manner determined by the Corporation, in accordance with the initial implementation guidelines attached to this Agreement as Exhibit B, which may be amended by the Corporation from time to time. The Corporation may amend this Agreement (including Exhibit B) as necessary or advisable in its sole discretion in connection with the adoption, implementation, modification or termination of an Equity Plan. In the event of such an amendment by the Corporation, the Company will provide notice of such amendment to the Members. The Company is expressly authorized to issue Units (i) in accordance with the terms of any such Equity Plan, or (ii) in an amount equal to the number of shares of Class A Common Stock issued pursuant to any such Equity Plan, without any further act, approval or vote of any Member or any other Persons.

Section 3.11 Dividend Reinvestment Plan, Cash Option Purchase Plan, Stock Incentive Plan or Other Plan Except as may otherwise be provided in this Article III, including any guidelines adopted pursuant to Section 3.10, all amounts received or deemed received by the Corporation in respect of any dividend reinvestment plan, cash option purchase plan, stock incentive or other stock or subscription plan or agreement, either (a) shall be utilized by the Corporation to effect open market purchases of shares of Class A Common Stock, or (b) if the Corporation elects instead to issue new shares of Class A Common Stock with respect to such amounts, shall be contributed by the Corporation to the Company in exchange for additional Common Units. Upon such contribution, the Company will issue to the Corporation a number of Common Units equal to the number of new shares of Class A Common Stock so issued.

ARTICLE IV

DISTRIBUTIONS

Section 4.01 Distributions.

(a) *Distributable Cash; Other Distributions.* To the extent permitted by applicable Law and hereunder, Distributions to Members may be declared by the Manager out of Distributable Cash or other funds or property legally available therefor in such amounts and on such terms (including the payment dates of such Distributions) as the Manager shall determine using such record date as the Manager may designate; such Distributions shall be made to the Members as of the close of business on such record date on a pro rata basis in accordance with each Member's Percentage Interest as of the close of business on such record date; provided, however, that the Manager shall have the obligation to make Distributions as set forth in Sections 4.01(b) and 14.02; and, provided further, that, notwithstanding any other provision herein to the contrary, no Distributions shall be made to any Member to the extent such Distribution would render the Company insolvent. For purposes of the foregoing sentence, insolvency means either (i) the inability of the Company to pay its debts as they come due in the usual course of business, or (ii) the total assets of the Company being less than the sum of its total liabilities. Promptly following the designation of a record date and the declaration of a Distribution pursuant to this Section 4.01(a), the Manager shall give notice to each Member of the record date, the amount and the terms of the Distribution and the payment date thereof. In furtherance of the foregoing, it is intended that the Manager shall, to the extent permitted by applicable Law and hereunder, have the right in its sole discretion to make Distributions to the Members pursuant to this Section 4.01(a) in such amounts as shall enable the Corporation to pay dividends or to meet its obligations, including its obligations pursuant to the Tax Receivable Agreement (to the extent such obligations are not otherwise able to be satisfied as a result of Tax Distributions required to be made pursuant to Section 4.01(b)).

(b) *Tax Distributions*.

(i) On or about each date (a "***Tax Distribution Date***") that is five (5) Business Days prior to each due date for the U.S. federal income tax return of an individual calendar year taxpayer (without regard to extensions) (or, if earlier, the due date for the U.S. federal income tax return of the Corporation, as determined without regard to extensions), the Company shall be required to make a Distribution to each Member of cash in an amount equal to the excess of such Member's Assumed Tax Liability, if any, for such taxable period over the Distributions previously made to such Member pursuant to this Section 4.01(b) with respect to such taxable period (the "***Tax Distributions***"). Notwithstanding the foregoing, the Manager may, in its discretion, make such Tax Distributions on a quarterly basis, and any date on which such Tax Distributions are made will be considered a Tax Distribution Date for purposes hereof.

(ii) To the extent a Member otherwise would be entitled to receive less than its Percentage Interest of the aggregate Tax Distributions to be paid pursuant to this Section 4.01(b) on any given date, the Tax Distributions to such Member shall be increased to ensure that all Distributions made pursuant to this Section 4.01(b) are made pro rata in accordance with such Member's Percentage Interest. If, on a Tax Distribution Date, there are insufficient funds on hand to distribute to the Members the full amount of the Tax Distributions to which such Members are otherwise entitled, Distributions pursuant to this Section 4.01(b) shall be made to the Members to the extent of available funds in accordance with their Percentage Interests and the Company shall make future Tax Distributions as soon as funds become available sufficient to pay the remaining portion of the Tax Distributions to which such Members are otherwise entitled.

(iii) In the event of any audit by, or similar event with, a taxing authority that affects the calculation of any Member's Assumed Tax Liability for any Taxable Year, or in the event the Company files an amended tax return, each Member's Assumed Tax Liability with respect to such year shall be recalculated by giving effect to such event (for the avoidance of doubt, taking into account interest or penalties). Any shortfall in the amount of Tax Distributions the Members and former Members received for the relevant Taxable Years based on such recalculated Assumed Tax Liability promptly shall be distributed to such Members and the successors of such former Members, except, for the avoidance of doubt, to the extent Distributions were made to such Members and former Members pursuant to Section 4.01(a) and this Section 4.01(b) in the relevant Taxable Years sufficient to cover such shortfall.

(iv) Notwithstanding the foregoing, Distributions pursuant to this Section 4.01(b), if any, shall be made to a Member (or its predecessor in interest) only to the extent all previous Distributions to such Member pursuant to Section 4.01(a) with respect to the Fiscal Year are less than the Distributions such Member (and its predecessor in interest) otherwise would have been entitled to receive with respect to such Fiscal Year pursuant to this Section 4.01(b).

Section 4.02 Restricted Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any Distribution to any Member on account of any Company Interest if such Distribution would violate any applicable Law or the terms of the Credit Agreement.

ARTICLE V

CAPITAL ACCOUNTS; ALLOCATIONS; TAX MATTERS

Section 5.01 Capital Accounts.

(a) The Company shall maintain a separate Capital Account for each Member according to the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). For this purpose, the Company may (in the discretion of the Manager), upon the occurrence of the events specified in Treasury Regulation Section 1.704-1(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such Treasury Regulation and Treasury Regulation Section 1.704-1(b)(2)(iv)(g) to reflect a revaluation of Company property.

(b) For purposes of computing the amount of any item of Company income, gain, loss or deduction to be allocated pursuant to this Article V and to be reflected in the Capital Accounts of the Members, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for U.S. federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); provided, however, that:

(i) The computation of all items of income, gain, loss and deduction shall include those items described in Code Section 705(a)(l)(B) or Code Section 705(a)(2)(B) and Treasury Regulation Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includable in gross income or are not deductible for U.S. federal income tax purposes.

(ii) If the Book Value of any Company property is adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property.

(iii) Items of income, gain, loss or deduction attributable to the disposition of Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

(iv) Items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

(v) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

Section 5.02 Allocations. Except as otherwise provided in Section 5.03 and Section 5.04, Net Profits and Net Losses for any Fiscal Year or Fiscal Period shall be allocated among the Capital Accounts of the Members pro rata in accordance with their respective Percentage Interests.

Section 5.03 Regulatory Allocations.

(a) Losses attributable to partner nonrecourse debt (as defined in Treasury Regulation Section 1.704-2(b)(4)) shall be allocated in the manner required by Treasury Regulation Section 1.704-2(i). If there is a net decrease during a Taxable Year in partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)(3)), Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) shall be allocated to the Members in the amounts and of such character as determined according to Treasury Regulation Section 1.704-2(i)(4).

(b) Nonrecourse deductions (as determined according to Treasury Regulation Section 1.704-2(b)(1)) for any Taxable Year shall be allocated pro rata among the Members in accordance with their Percentage Interests. Except as otherwise provided in Section 4.03(a), if there is a net decrease in the Minimum Gain during any Taxable Year, each Member shall be allocated Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) in the amounts and of such character as determined according to Treasury Regulation Section 1.704-2(f). This Section 5.03(b) is intended to be a minimum gain chargeback provision that complies with the requirements of Treasury Regulation Section 1.704-2(f), and shall be interpreted in a manner consistent therewith.

(c) If any Member that unexpectedly receives an adjustment, allocation or Distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) has an Adjusted Capital Account Deficit as of the end of any Taxable Year, computed after the application of Sections 5.03(a) and 5.03(b) but before the application of any other provision of this Article V, then Profits for such Taxable Year shall be allocated to such Member in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 5.03(c) is intended to be a qualified income offset provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(d) If the allocation of Net Losses to a Member as provided in Section 5.02 would create or increase an Adjusted Capital Account Deficit, there shall be allocated to such Member only that amount of Losses as will not create or increase an Adjusted Capital Account Deficit. The Net Losses that would, absent the application of the preceding sentence, otherwise be allocated to such Member shall be allocated to the other Members in accordance with their relative Percentage Interests, subject to this Section 5.03(d).

(e) Profits and Losses described in Section 5.01(b)(v) shall be allocated in a manner consistent with the manner that the adjustments to the Capital Accounts are required to be made pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(j), (k) and (m).

(f) The allocations set forth in Section 5.03(a) through and including Section 5.03(e) (the "***Regulatory Allocations***") are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Profit and Loss of the Company or make Distributions. Accordingly, notwithstanding the other provisions of this Article V, but subject to the Regulatory Allocations, income, gain, deduction and loss shall be reallocated among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Members to be in the amounts (or as close thereto as possible) they would have been if Profit and Loss (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this will be accomplished by specially allocating other Profit and Loss (and such other items of income, gain, deduction and loss) among the Members so that the net amount of the Regulatory Allocations and such special allocations to each such Member is zero. In addition, if in any Fiscal Year or Fiscal Period there is a decrease in partnership minimum gain, or in partner nonrecourse debt minimum gain, and application of the minimum gain chargeback requirements set forth in Section 5.03(a) or Section 5.03(b) would cause a distortion in the economic arrangement among the Members, the Members may, if they do not expect that the Company will have sufficient other income to correct such distortion, request the Internal Revenue Service to waive either or both of such minimum gain chargeback requirements. If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirement.

Section 5.04 Final Allocations. Notwithstanding any contrary provision in this Agreement except Section 5.03, the Manager shall make appropriate adjustments to allocations of Profits and Losses to (or, if necessary, allocate items of gross income, gain, loss or deduction of the Company among) the Members upon the liquidation of the Company (within the meaning of Section 1.704 1(b)(2)(ii)(g) of the Treasury Regulations), the transfer of substantially all the Units (whether by sale or exchange or merger) or sale of all or substantially all the assets of the Company, such that, to the maximum extent possible, the Capital Accounts of the Members are proportionate to their Percentage Interests. In each case, such adjustments or allocations shall occur, to the maximum extent possible, in the Fiscal Year of the event requiring such adjustments or allocations.

Section 5.05 Tax Allocations.

(a) The income, gains, losses, deductions and credits of the Company will be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and credits among the Members for computing their Capital Accounts; provided that if any such allocation is not permitted by the Code or other applicable Law, the Company's subsequent income, gains, losses, deductions and credits will be allocated among the Members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value using the traditional method, as described in Treasury Regulations Section 1.704-3(b).

(c) If the Book Value of any Company asset is adjusted pursuant to Section 5.01(b), subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c) using the traditional method, as described in Treasury Regulations Section 1.704-3(b).

(d) Allocations of tax credits, tax credit recapture, and any items related thereto shall be allocated to the Members pro rata as determined by the Manager taking into account the principles of Treasury Regulation Section 1.704-1(b)(4)(ii).

(e) For purposes of determining a Member's pro rata share of the Company's "excess nonrecourse liabilities" within the meaning of Treasury Regulation Section 1.752-3(a)(3), each Member's interest in income and gain shall be in proportion to the Units held by such Member.

(f) Allocations pursuant to this Section 5.05 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, Distributions or other Company items pursuant to any provision of this Agreement.

Section 5.06 Indemnification and Reimbursement for Payments on Behalf of a Member. If the Company is obligated to pay any amount to a Governmental Entity (or otherwise makes a payment to a Governmental Entity) that is specifically attributable to a Member or a Member's status as such (including federal withholding or other taxes, state personal property taxes and state unincorporated business taxes), then such Person shall indemnify the Company in full for the entire amount paid (including interest, penalties and related expenses). The Manager may offset Distributions to which a Person is otherwise entitled under this Agreement against such Person's obligation to indemnify the Company under this Section 5.06. A Member's obligation to make contributions to the Company under this Section 5.06 shall survive the termination, dissolution, liquidation and winding up of the Company, and for purposes of this Section 5.06, the Company shall be treated as continuing in existence. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 5.06, including instituting a lawsuit to collect such contribution with interest calculated at a rate per annum equal to the sum of the Base Rate plus 300 basis points (but not in excess of the highest rate per annum permitted by Law). Each Member hereby agrees to furnish to the Company such information and forms as required or reasonably requested in order to comply with any laws and regulations governing withholding of tax or in order to claim any reduced rate of, or exemption from, withholding to which the Member is legally entitled.

ARTICLE VI

MANAGEMENT

Section 6.01 Authority of Manager.

(a) Except for situations in which the approval of any Member(s) is specifically required by this Agreement, (i) all management powers over the business and affairs of the Company shall be exclusively vested in the Corporation, as the sole manager of the Company (the Corporation, in such capacity, the "***Manager***") and (ii) the Manager shall conduct, direct and exercise full control over all activities of the Company. The Manager shall be the "manager" of the Company for the purposes of the Act. Except as otherwise expressly provided for herein and subject to the other provisions of this Agreement, the Members hereby consent to the exercise by the Manager of all such powers and rights conferred on the Members by the Act with respect to the management and control of the Company. Any vacancies in the position of Manager shall be filled in accordance with Section 6.04.

(b) The day-to-day business and operations of the Company shall be overseen and implemented by officers of the Company (each, an "***Officer***" and collectively, the "***Officers***"), subject to the limitations imposed by the Manager. An Officer may, but need not, be a Member. Each Officer shall be appointed by the Manager and shall hold office until his or her successor shall be duly designated and shall qualify or until his or her death or until he shall resign or shall have been removed in the manner hereinafter provided. Any one Person may hold more than one office. Subject to the other provisions in this Agreement (including in Section 6.07 below), the salaries or other compensation, if any, of the Officers of the Company shall be fixed from time to time by the Manager. The authority and responsibility of the Officers shall include, but not be limited to, such duties as the Manager may, from time to time, delegate to them and the carrying out of the Company's business and affairs on a day-to-day basis. The existing Officers of the Company as of the Effective Time shall remain in their respective positions and shall be deemed to have been appointed by the Manager. All Officers shall be, and shall be deemed to be, officers and employees of the Company. An Officer may also perform one or more roles as an officer or director of the Manager.

(c) The Manager shall have the power and authority to effectuate the sale, lease, transfer, exchange or other disposition of any, all or substantially all of the assets of the Company (including the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Company) or the merger, consolidation, reorganization or other combination of the Company with or into another entity.

Section 6.02 Actions of the Manager. The Manager may act through any Officer or through any other Person or Persons to whom authority and duties have been delegated pursuant to Section 6.07.

Section 6.03 Resignation; No Removal. The Manager may resign at any time by giving written notice to the Members. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Members, and the acceptance of the resignation shall not be necessary to make it effective. The Members have no right under this Agreement to remove or replace the Manager.

Section 6.04 Vacancies. Vacancies in the position of Manager occurring for any reason shall be filled by the Corporation (or, if the Corporation has ceased to exist without any successor or assign, then by the holders of a majority in interest of the voting capital stock of the Corporation immediately prior to such cessation). The Members have no right under this Agreement to fill any vacancy in the position of Manager.

Section 6.05 Transactions Between Company and Manager. The Manager may cause the Company to contract and deal with the Manager, or any Affiliate of the Manager, provided such contracts and dealings are on terms comparable to and competitive with those available to the Company from others dealing with the Company at arm's length or are approved by the Members and otherwise are permitted by the Credit Agreement and any other agreements of the Company with third parties. The Members hereby approve the IPO Common Unit Redemption Agreement in the form heretofore provided to each such Member, together with such modifications, revisions or amendments as the Manager may approve in its discretion.

Section 6.06 Reimbursement for Expenses. The Manager shall not be compensated for its services as Manager of the Company except as expressly provided in this Agreement. The Members acknowledge and agree that, upon consummation of the IPO, the Manager's Class A Common Stock will be publicly traded and therefore the Manager will have access to the public capital markets and that such status and the services performed by the Manager will inure to the benefit of the Company and all Members; therefore, the Manager shall be reimbursed by the Company for any reasonable out-of-pocket expenses incurred on behalf of the Company, including without limitation all fees, expenses and costs associated with the IPO and all fees, expenses and costs of being a public company (including expenses incurred in connection with public reporting obligations, proxy statements, stockholder meetings, stock exchange fees, transfer agent fees, legal fees, SEC and FINRA filing fees and offering expenses) and maintaining its corporate existence. In the event that shares of Class A Common Stock are sold to underwriters in the IPO (or in any subsequent public offering) at a price per share that is lower than the price per share for which such shares of Class A Common Stock are sold to the public in the IPO (or in such subsequent public offering, as applicable) after taking into account underwriters' discounts or commissions and brokers' fees or commissions (such difference, the "Discount"), (i) the Manager shall be deemed to have contributed to the Company in exchange for newly-issued Common Units the full amount for which such shares of Class A Common Stock were sold to the public and (ii) the Company shall be deemed to have paid the Discount as an expense. To the extent practicable, expenses incurred by the Manager on behalf of or for the benefit of the Company shall be billed directly to and paid by the Company and, if and to the extent any reimbursements to the Manager or any of its Affiliates by the Company pursuant to this Section 6.06 constitute gross income to such Person (as opposed to the repayment of advances made by such Person on behalf of the Company), such amounts shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Members' Capital Accounts.

Section 6.07 Delegation of Authority. The Manager (a) may, from time to time, delegate to one or more Persons such authority and duties as the Manager may deem advisable, and (b) may assign titles (including chief executive officer, president, chief executive officer, chief financial officers, chief operating officer, vice president, secretary, assistant secretary, treasurer or assistant treasurer) and delegate certain authority and duties to such Persons as the same may be amended, restated or otherwise modified from time to time. Any number of titles may be held by the same individual. The salaries or other compensation, if any, of such agents of the Company shall be fixed from time to time by the Manager, subject to the other provisions in this Agreement.

Section 6.08 Limitation of Liability of Manager.

(a) Except as otherwise provided herein or in an agreement entered into by such Person and the Company, neither the Manager nor any of the Manager's Affiliates shall be liable to the Company or to any Member that is not the Manager for any act or omission performed or omitted by the Manager in its capacity as the sole manager of the Company pursuant to authority granted to the Manager by this Agreement; provided, however, that, except as otherwise provided herein, such limitation of liability shall not apply to the extent the act or omission was attributable to the Manager's fraud, intentional misconduct or knowing violation of Law or for any present or future breaches of any representations, warranties or covenants by the Manager or its Affiliates contained herein or in the other agreements with the Company, in each case as determined by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected. The Manager may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and shall not be responsible for any misconduct or negligence on the part of any such agent (so long as such agent was selected in good faith and with reasonable care). The Manager shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Company or any facts pertinent to the existence and amount of assets from which Distributions to Members might properly be paid) of the following other Persons or groups: one or more Officers or employees of the Company or the Manager; any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company or the Manager; or any other Person who has been selected with reasonable care by or on behalf of the Company, or the Manager, in each case as to matters which such Member, Manager or Officer reasonably believes to be within such other Person's competence, and any act of or failure to act by the Manager in good faith reliance on such advice shall in no event subject the Manager to liability to the Company or any Member that is not the Manager.

(b) Whenever this Agreement or any other agreement contemplated herein provides that the Manager shall act in a manner which is, or provide terms which are, "fair and reasonable" to the Company or any Member that is not the Manager, the Manager shall determine such appropriate action or provide such terms considering, in each case, the relative interests of each party to such agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable United States generally accepted accounting practices or principles.

(c) Whenever in this Agreement or any other agreement contemplated herein, the Manager is permitted or required to take any action or to make a decision in its "sole discretion" or "discretion," with "complete discretion" or under a grant of similar authority or latitude, the Manager shall be entitled to consider such interests and factors as it desires, including its own interests, and shall, to the fullest extent permitted by applicable Law, have no duty or obligation to give any consideration to any interest of or factors affecting the Company or other Members.

(d) Whenever in this Agreement the Manager is permitted or required to take any action or to make a decision in its "good faith" or under another express standard, the Manager shall act under such express standard and, to the extent permitted by applicable Law, shall not be subject to any other or different standards imposed by this Agreement or any other agreement contemplated herein, and, notwithstanding anything contained herein to the contrary, so long as the Manager acts in good faith, the resolution, action or terms so made, taken or provided by the Manager shall not constitute a breach of this Agreement or any other agreement contemplated herein or impose liability upon the Manager or any of the Manager's Affiliates.

Section 6.09 Investment Company Act. The Manager shall use its best efforts to ensure that the Company shall not be subject to registration as an investment company pursuant to the Investment Company Act.

Section 6.10 Outside Activities of the Manager. The Manager shall not, directly or indirectly, enter into or conduct any business or operations, other than in connection with (a) the ownership, acquisition and disposition of Common Units, (b) the management of the business and affairs of the Company and its Subsidiaries, (c) the operation of the Manager as a reporting company with a class (or classes) of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), and listed on a U.S. and, if approved by the Manager, other securities exchange, (d) the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other interests, (e) financing or refinancing of any type related to the Company, its Subsidiaries or their assets or activities, and (f) such activities as are incidental to the foregoing; provided, however, that, except as otherwise provided herein, the net proceeds of any financing raised by the Manager pursuant to the preceding clauses (d) and (e) shall be made available to the Company, whether as Capital Contributions, loans or otherwise, as appropriate, and, provided further, that the Manager may, in its sole and absolute discretion, from time to time hold or acquire assets in its own name or otherwise other than through the Company and its Subsidiaries so long as the Manager takes commercially reasonable measures to ensure that the economic benefits and burdens of such assets are otherwise vested in the Company or its Subsidiaries, through assignment, mortgage loan or otherwise or, if it is not commercially reasonable to vest such economic interests in the Company or any of its Subsidiaries, the Members shall negotiate in good faith to amend this Agreement to reflect such activities and the direct ownership of assets by the Manager. Nothing contained herein shall be deemed to prohibit the Manager from executing any guarantee of indebtedness of the Company or its Subsidiaries.

ARTICLE VII

RIGHTS AND OBLIGATIONS OF MEMBERS

Section 7.01 Limitation of Liability and Duties of Members.

(a) Except as provided in this Agreement or in the Act, no Member (including the Manager) shall be obligated personally for any debt, obligation or liability solely by reason of being a Member. Notwithstanding anything contained herein to the contrary, the failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business and affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

(b) In accordance with the Act and the laws of the State of Delaware, a Member may, under certain circumstances, be required to return amounts previously distributed to such Member. It is the intent of the Members that no Distribution to any Member pursuant to Article IV shall be deemed a return of money or other property paid or distributed in violation of the Act. To the fullest extent permitted by Law, any Member receiving any such money or property shall not be required to return any such money or property to the Company or any other Person. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of any other Member.

(c) Notwithstanding any other provision of this Agreement (subject to Section 6.08 with respect to the Manager), to the extent that, at law or in equity, any Member (or any Member's Affiliate or any manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of any Member or of any Affiliate of a Member) has duties (including fiduciary duties) to the Company, to the Manager, to another Member, to any Person who acquires an interest in a Company Interest or to any other Person bound by this Agreement, all such duties (including fiduciary duties) are hereby eliminated, to the fullest extent permitted by law, and replaced with the duties or standards expressly set forth herein, if any. The elimination of duties (including fiduciary duties) to the Company, the Manager, each of the Members, each other Person who acquires an interest in a Company Interest and each other Person bound by this Agreement and replacement thereof with the duties or standards expressly set forth herein, if any, are approved by the Company, the Manager, each of the Members, each other Person who acquires an interest in a Company Interest and each other Person bound by this Agreement.

Section 7.02 Lack of Authority. No Member, other than the Manager or a duly appointed Officer, in each case in its capacity as such, has the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company or to make any expenditure on behalf of the Company. The Members hereby consent to the exercise by the Manager of the powers conferred on them by Law and this Agreement.

Section 7.03 No Right of Partition. No Member, other than the Manager, shall have the right to seek or obtain partition by court decree or operation of Law of any Company property, or the right to own or use particular or individual assets of the Company.

Section 7.04 Indemnification.

(a) Subject to Section 5.06, the Company hereby agrees to indemnify and hold harmless any Person (each an "***Indemnified Person***") to the fullest extent permitted under the Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Company is providing immediately prior to such amendment), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, excise taxes or penalties) reasonably incurred or suffered by such Person (or one or more of such Person's Affiliates) by reason of the fact that such Person is or was a Member or is or was serving at the request of the Company as the Manager, an Officer, an employee or another agent of the Company or is or was serving at the request of the Company as a manager, member, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise; provided, however, that no Indemnified Person shall be indemnified for actions not made in good faith and not or in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, or, with respect to any criminal action or proceeding other than by or in the right of the Company, had reasonable cause to believe the conduct was unlawful, or for any present or future breaches of any representations, warranties or covenants by such Indemnified Person or its Affiliates contained herein or in the other agreements with the Company. Expenses, including attorneys' fees, incurred by any such Indemnified Person in defending a proceeding shall be paid by the Company as they are incurred and in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such Indemnified Person is not entitled to be indemnified by the Company.

(b) The right to indemnification and the advancement of expenses conferred in this Section 7.04 shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement, bylaw, action by the Manager or otherwise.

(c) The Company shall maintain directors' and officers' liability insurance, or make other financial arrangements, at its expense, to protect any Indemnified Person (and the investment funds, if any, they represent) against any expense, liability or loss described in Section 7.04(a) whether or not the Company would have the power to indemnify such Indemnified Person against such expense, liability or loss under the provisions of this Section 7.04. The Company shall use its commercially reasonable efforts to purchase directors' and officers' liability insurance (including employment practices coverage) with a carrier and in an amount determined necessary or desirable as determined in good faith by the Manager.

(d) Notwithstanding anything contained herein to the contrary (including in this Section 7.04), the Company agrees that any indemnification and advancement of expenses available to any current or former Indemnified Person from any investment fund that is an Affiliate of the Company who served as a director of the Company or as a Member of the Company by virtue of such Person's service as a member, director, partner or employee of any such fund prior to or following the Effective Time (any such Person, a "***Sponsor Person***") shall be secondary to the indemnification and advancement of expenses to be provided by the Company pursuant to this Section 7.04 which shall be provided out of and to the extent of Company assets only and no Member (unless such Member otherwise agrees in writing or is found in a final decision by a court of competent jurisdiction to have personal liability on account thereof) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the Company and the Company (i) shall be the primary indemnitor of first resort for such Sponsor Person pursuant to this Section 7.04 and (ii) shall be fully responsible for the advancement of all expenses and the payment of all damages or liabilities with respect to such Sponsor Person which are addressed by this Section 7.04.

(e) If this Section 7.04 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person pursuant to this Section 7.04 to the fullest extent permitted by any applicable portion of this Section 7.04 that shall not have been invalidated and to the fullest extent permitted by applicable Law.

Section 7.05 Members Right to Act. For matters that require the approval of the Members, the Members shall act through meetings and written consents as described in paragraphs (a) and (b) below:

(a) Except as otherwise expressly provided by this Agreement, acts by the Members holding a majority of the Units, voting together as a single class, shall be the acts of the Members. Any Member entitled to vote at a meeting of Members or to express consent or dissent to Company action in writing without a meeting may authorize another Person or Persons to act for it by proxy. An electronic mail or similar transmission by the Member, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by the Member shall (if stated thereon) be treated as a proxy executed in writing for purposes of this Section 7.05(a). No proxy shall be voted or acted upon after eleven months from the date thereof, unless the proxy provides for a longer period. A proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and that the proxy is coupled with an interest. Should a proxy designate two or more Persons to act as proxies, unless that instrument shall provide to the contrary, a majority of such Persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or, if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, the Company shall not be required to recognize such proxy with respect to such issue if such proxy does not specify how the votes that are the subject of such proxy are to be voted with respect to such issue.

(b) The actions by the Members permitted hereunder may be taken at a meeting called by the Manager or by the Members holding a majority of the Units entitled to vote on such matter on at least 72 hours' (unless a shorter period shall be acceptable to all of the Members) prior written notice to the other Members entitled to vote, which notice shall state the purpose or purposes for which such meeting is being called. The actions taken by the Members entitled to vote or consent at any meeting (as opposed to by written consent), however called and noticed, shall be as valid as though taken at a meeting duly held after regular call and notice if (but not until), either before, at or after the meeting, the Members entitled to vote or consent as to whom it was improperly held signs a written waiver of notice or a consent to the holding of such meeting or an approval of the minutes thereof. The actions by the Members entitled to vote or consent may be taken by vote of the Members entitled to vote or consent at a meeting or by written consent, so long as such consent is signed by Members having not less than the minimum number of Units that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Prompt notice of the action so taken, which shall state the purpose or purposes for which such consent is required and may be delivered via email, without a meeting shall be given to those Members entitled to vote or consent who have not consented in writing; provided, however, that the failure to give any such notice shall not affect the validity of the action taken by such written consent. Any action taken pursuant to such written consent of the Members shall have the same force and effect as if taken by the Members at a meeting thereof.

Section 7.06 Inspection Rights. The Company shall permit each Member and each of its designated representatives, at such Member's expense, to (i) visit and inspect any of the properties of the Company and its Subsidiaries, all at reasonable times and upon reasonable notice, (ii) examine the corporate and financial records of the Company or any of its Subsidiaries and make copies thereof or extracts therefrom, and (iii) consult with the managers, officers, employees and independent accountants of the Company or any of its Subsidiaries concerning the affairs, finances and accounts of the Company or any of its Subsidiaries; provided, however, that the Company shall not be obligated pursuant to this Section 7.06 to provide access to any information that the Company considers to be a trade secret. The presentation of an executed copy of this Agreement by any Member to the Company's independent accountants shall constitute the Company's permission to its independent accountants to participate in discussions with such Persons and their respective designated representatives.

ARTICLE VIII

BOOKS, RECORDS, ACCOUNTING AND REPORTS, AFFIRMATIVE COVENANTS

Section 8.01 Records and Accounting. The Company shall keep, or cause to be kept, appropriate books and records with respect to the Company's business, including all books and records necessary to provide any information, lists and copies of documents required to be provided pursuant to Section 8.03 or pursuant to applicable Law. All matters concerning (a) the determination of the relative amount of allocations and Distributions among the Members pursuant to Articles III and IV and (b) accounting procedures and determinations, and other determinations not specifically and expressly provided for by the terms of this Agreement, shall be determined by the Manager, whose determination shall be final and conclusive as to all of the Members absent manifest clerical error.

Section 8.02 Fiscal Year. The Fiscal Year of the Company shall begin on the first day of January and end on the last day of December each year or such other date as may be established by the Manager.

Section 8.03 Reports. The Company shall deliver or cause to be delivered, within ninety (90) days after the end of each Fiscal Year, to each Person who was a Member at any time during such Fiscal Year, all information reasonably necessary for the preparation of such Person's United States federal and applicable state income tax returns.

ARTICLE IX

TAX MATTERS

Section 9.01 Preparation of Tax Returns. The Manager shall arrange for the preparation and timely filing of all tax returns required to be filed by the Company. On or before March 15, June 15, September 15, and December 15 of each Fiscal Year, the Company shall send to each Person who was a Member at any time during the prior quarter, an estimate of such Member's state tax apportionment information and allocations to the Members of taxable income, gains, losses, deductions and credits for the prior quarter, which estimate shall have been reviewed by the Company's outside tax accountants. In addition, no later than the later of (i) March 15 following the end of the prior Fiscal Year, and (ii) 30 Business Days after the issuance of the final financial statement report for a Fiscal Year by the Company's auditors, the Company shall send to each Person who was a Member at any time during such Fiscal Year, a statement showing such Member's final state tax apportionment information and allocations to the Members of taxable income, gains, losses, deductions and credits for such Fiscal Year and a completed IRS Schedule K-1. Each Member shall notify the other Members upon receipt of any notice of tax examination of the Company by federal, state or local authorities. Subject to the terms and conditions of this Agreement, in its capacity as Partnership Representative, the Corporation shall have the authority to prepare the tax returns of the Company using such permissible methods and elections as it determines in its reasonable discretion, including the use of any permissible method under Section 706 of the Code for purposes of determining the varying Company Interests of its Members.

Section 9.02 Tax Elections. The Taxable Year shall be the Fiscal Year set forth in Section 8.02. The Company and any eligible Subsidiary shall make an election pursuant to Section 754 of the Code, shall not thereafter revoke such election. Each Member will upon request supply any information reasonably necessary to give proper effect to any such elections.

Section 9.03 Tax Controversies. The Corporation shall be designated and may, on behalf of the Company, at any time, and without further notice to or consent from any Member, act as the "partnership representative" of the Company (within the meaning given to such term in Section 6223 of the Code) (the "***Partnership Representative***") for purposes of the Code. The Partnership Representative shall have the right and obligation to take all actions authorized and required, respectively, by the Code for the Partnership Representative and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. Each Member agrees to cooperate with the Company and to do or refrain from doing any or all things reasonably requested by the Company with respect to the conduct of such proceedings. The Partnership Representative shall keep all Members fully advised on a current basis of any contacts by or discussions with the tax authorities, and the Members shall have the right to observe and participate through representatives of their own choosing (at their sole expense) in any tax proceedings.

ARTICLE X

RESTRICTIONS ON TRANSFER OF UNITS; PREEMPTIVE RIGHTS

Section 10.01 Transfers by Members. No holder of Units may Transfer any interest in any Units, except Transfers (a) pursuant to and in accordance with Section 10.02 or (b) approved in writing by the Manager. Notwithstanding the foregoing, "Transfer" shall not include an event that terminates the existence of a Member for income tax purposes (including a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member), but that does not terminate the existence of such Member under applicable state law (or, in the case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Company Interests of such trust that is a Member).

Section 10.02 Permitted Transfers. The restrictions contained in Section 10.01 shall not apply to any Transfer (each, a "***Permitted Transfer***") pursuant to (i)(A) a Change of Control Transaction, (B) a Redemption or Exchange in accordance with Article XI hereof or (C) a Transfer by a Member to the Corporation or any of its Subsidiaries; (ii) a Transfer by any Member to such Member's spouse, any lineal ascendants or descendants or trusts or other entities in which such Member or Member's spouse, lineal ascendants or descendants hold (and continue to hold while such trusts or other entities hold Units) 50% or more of such entity's beneficial interests; (iii) the laws of descent and distribution and (iv) a Transfer to a partner, shareholder, member or Affiliated investment fund of such Member; provided, however, that (A) the restrictions contained in this Agreement will continue to apply to Units after any Permitted Transfer of such Units, and (B) in the case of the foregoing clauses (ii), (iii) and (iv), the transferees of the Units so Transferred shall agree in writing to be bound by the provisions of this Agreement and, the transferor will deliver a written notice to the Company and the Members, which notice will disclose in reasonable detail the identity of the proposed transferee. In the case of a Permitted Transfer by any Member of Common Units to a transferee in accordance with this Section 10.02, such Member (or any subsequent transferee of such Member) shall be required to also transfer one share of Class B Common Stock or three shares of Class C Common Stock, as applicable, for each Common Unit that is transferred in the transaction to such transferee. All Permitted Transfers are subject to the additional limitations set forth in Section 10.07(b).

Section 10.03 Restricted Units Legend. The Units have not been registered under the Securities Act and, therefore, in addition to the other restrictions on Transfer contained in this Agreement, cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is then available. To the extent such Units have been certificated, each certificate evidencing Units and each certificate issued in exchange for or upon the Transfer of any Units (if such securities remain Units as defined herein after such Transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THE FIFTH AMENDED AND RESTATED OPERATING AGREEMENT OF GREENLANE HOLDINGS, LLC, AS MAY BE AMENDED AND MODIFIED FROM TIME TO TIME, AND GREENLANE HOLDINGS, LLC RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITIES UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO ANY TRANSFER. A COPY OF SUCH CONDITIONS SHALL BE FURNISHED BY GREENLANE HOLDINGS, LLC TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE."

The Company shall imprint such legend on certificates (if any) evidencing Units. The legend set forth above shall be removed from the certificates (if any) evidencing any units which cease to be Units in accordance with the definition thereof.

Section 10.04 Transfer. Prior to Transferring any Units (other than pursuant to a Change of Control Transaction), the Transferring Holder of Units shall cause the prospective Assignee to be bound by this Agreement as provided in Section 10.02 and any other agreements executed by the holders of Units and relating to such Units in the aggregate (collectively, the "***Other Agreements***"), and shall cause the prospective Assignee to execute and deliver to the Company and the other holders of Units counterparts of this Agreement and any applicable Other Agreements. Any Transfer or attempted Transfer of any Units in violation of any provision of this Agreement (including any prohibited indirect Transfers) shall be void, and in the event of any such Transfer or attempted Transfer, the Company shall not record such Transfer on its books or treat any purported Assignee of such Units as the owner of such securities for any purpose.

Section 10.05 Assignee's Rights.

(a) The Transfer of a Company Interest in accordance with this Agreement shall be effective as of the date of its assignment (assuming compliance with all of the conditions to such Transfer set forth herein), and such Transfer shall be shown on the books and records of the Company. Profits, Losses and other Company items shall be allocated between the transferor and the Assignee according to Code Section 706, using any permissible method as determined in the reasonable discretion of the Manager. Distributions made before the effective date of such Transfer shall be paid to the transferor, and Distributions made after such date shall be paid to the Assignee.

(b) Unless and until an Assignee becomes a Member pursuant to Article XII, the Assignee shall not be entitled to any of the rights granted to a Member hereunder or under applicable Law, other than the rights granted specifically to Assignees pursuant to this Agreement; provided, however, that, without relieving the transferring Member from any such limitations or obligations as more fully described in Section 10.06, such Assignee shall be bound by any limitations and obligations of a Member contained herein that a Member would be bound on account of the Assignee's Company Interest (including the obligation to make Capital Contributions on account of such Company Interest).

Section 10.06 Assignor's Rights and Obligations. Any Member who shall Transfer any Company Interest in a manner in accordance with this Agreement shall cease to be a Member with respect to such Units or other interest and shall no longer have any rights or privileges, or, except as set forth in this Section 10.06, duties, liabilities or obligations, of a Member with respect to such Units or other interest (it being understood, however, that the applicable provisions of Sections 6.08 and 7.04 shall continue to inure to such Person's benefit), except that unless and until the Assignee (if not already a Member) is admitted as a Substituted Member in accordance with the provisions of Article XII (the "***Admission Date***"), (i) such assigning Member shall retain all of the duties, liabilities and obligations of a Member with respect to such Units or other interest, and (ii) the Manager may, in its sole discretion, reinstate all or any portion of the rights and privileges of such Member with respect to such Units or other interest for any period of time prior to the Admission Date. Nothing contained herein shall relieve any Member who Transfers any Units or other interest in the Company from any liability of such Member to the Company with respect to such Company Interest that may exist on the Admission Date or that is otherwise specified in the Act and incorporated into this Agreement or for any liability to the Company or any other Person for any materially false statement made by such Member (in its capacity as such) or for any present or future breaches of any representations, warranties or covenants by such Member (in its capacity as such) contained herein or in the other agreements with the Company.

Section 10.07 Overriding Provisions.

(a) Any Transfer in violation of this Article X shall be null and void ab initio, and the provisions of Sections 10.05 and 10.06 shall not apply to any such Transfers. For the avoidance of doubt, any Person to whom a Transfer is made or attempted in violation of this Article X shall not become a Member, shall not be entitled to vote on any matters coming before the Members and shall not have any other rights in or with respect to any rights of a Member of the Company. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance. The Manager shall promptly amend the Schedule of Members to reflect any Permitted Transfer pursuant to this Article X.

(b) Notwithstanding anything contained herein to the contrary (including, for the avoidance of doubt, the provisions of Section 10.01 and Article XI and Article XII), in no event shall any Member Transfer any Units to the extent such Transfer could, in the reasonable determination of the Manager:

(i) result in a violation of the Securities Act, or any other applicable federal, state or foreign Laws;

(ii) cause an assignment under the Investment Company Act;

(iii) be a violation of or a default (or an event that, with notice or the lapse of time or both, would constitute a default) under, or result in an acceleration of any indebtedness under, any promissory note, mortgage, loan agreement, indenture or similar instrument or agreement to which the Company or the Manager is a party; *provided* that (x) the payee or creditor to whom the Company or the Manager owes such obligation is not an affiliate of the Company or the Manager and (y) such indebtedness, individually or in the aggregate, has an aggregate principal amount then outstanding that is greater than $5,000,000;

(iv) cause the Company to lose its status as a partnership for federal income tax purposes or, without limiting the generality of the foregoing, such Transfer was effected on or through an "established securities market" or a "secondary market or the substantial equivalent thereof," as such terms are used in Section 1.7704-1 of the Treasury Regulations;

(v) be a Transfer to a Person who is not legally competent or who has not achieved his or her majority under applicable Law (excluding trusts for the benefit of minors);

(vi) cause the Company or any Member or the Manager to be treated as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended;

(vii) cause the Company (as determined by the Manager in its sole discretion) to be treated as a "publicly traded partnership" or to be taxed as a corporation pursuant to Section 7704 of the Code or successor provision of the Code; or

(viii) result in the Company having more than one hundred (100) partners, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)) in any Taxable Year that is not a Restricted Taxable Year.

Section 10.08 Spousal Consent. In connection with the execution and delivery of this Agreement, any Member who is a natural person will deliver to the Company an executed consent from such Member's spouse (if any) in the form of Exhibit C-1 attached hereto or a Member's spouse confirmation of separate property in the form of Exhibit C-2 attached hereto. If, at any time subsequent to the date of this Agreement such Member becomes legally married (whether in the first instance or to a different spouse), such Member shall cause his or her spouse to execute and deliver to the Company a consent in the form of Exhibit C attached hereto. Such Member's non-delivery to the Company of an executed consent in the form of Exhibit C at any time shall constitute such Member's continuing representation and warranty that such Member is not legally married as of such date.

Section 10.09 Tender Offers and Other Events with respect to the Corporation.

(a) In the event that a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to Class A Common Stock (a "***Pubco Offer***") is proposed by the Corporation or is proposed to the Corporation or its stockholders and approved by the Corporate Board or is otherwise effected or to be effected with the consent or approval of the Corporate Board, the Common Unitholders shall be permitted to participate in such Pubco Offer by delivery of a Redemption Notice (which Redemption Notice shall be effective immediately prior to the consummation of such Pubco Offer (and, for the avoidance of doubt, shall be contingent upon such Pubco Offer and not be effective if such Pubco Offer is not consummated)). In the case of a Pubco Offer proposed by the Corporation, the Corporation will use its reasonable best efforts expeditiously and in good faith to take all such actions and do all such things as are necessary or desirable to enable and permit the Common Unitholders to participate in such Pubco Offer to the same extent or on an economically equivalent basis as the holders of shares of Class A Common Stock without discrimination; provided, that without limiting the generality of this sentence (and without limiting the ability of any Member holding Common Units to consummate a Redemption at any time pursuant to the terms of this Agreement), the Manager will use its reasonable best efforts expeditiously and in good faith to ensure that such Common Unitholders may participate in such Pubco Offer without being required to have their Common Units and shares of Class B Common Stock or Class C Common Stock redeemed (or, if so required, to ensure that any such redemption shall be effective only upon, and shall be conditional upon, the closing of the transactions contemplated by the Pubco Offer). For the avoidance of doubt, in no event shall Common Unitholders be entitled to receive in such Pubco Offer aggregate consideration for each Common Unit that is greater than the consideration payable in respect of each share of Class A Common Stock in connection with a Pubco Offer (it being understood that payments under or in respect of the Tax Receivable Agreement shall not be considered part of any such consideration).

(b) The Corporation shall send written notice to the Company and the Common Unitholders at least thirty (30) days prior to the closing of the transactions contemplated by the Pubco Offer notifying them of their rights pursuant to this Section 10.09, and setting forth (i) a copy of the written proposal or agreement pursuant to which the Pubco Offer will be effected, (ii) the consideration payable in connection therewith, (iii) the terms and conditions of transfer and payment and (iv) the date and location of and procedures for selling Common Units. In the event that the information set forth in notice changes from that set forth in the initial notice, a subsequent notice shall be delivered by the Corporation no less than seven (7) days prior to the closing of the Pubco Offer.

ARTICLE XI

REDEMPTION AND EXCHANGE RIGHTS

Section 11.01 Redemption Right of a Member.

(a) *Redemption Notice*.

(i) Subject to the provisions set forth in this Section 11.01, each Member (other than the Corporation) shall be entitled to cause the Company to redeem (a "***Redemption***") its Common Units (the "***Redemption Right***") at any time beginning on the earlier of (A) 180 days after the Effective Time or (B) if such Member has entered into a contractual lock-up agreement with the underwriters in connection with the IPO and relating to the shares of the Corporation that may be applicable to such Member, the date such lock-up agreement has been waived or terminated as it applies to such Member; *provided*, *however*, that the Original Members shall be entitled to effect a Redemption pursuant to the IPO Common Unit Redemption Agreement of a number of their Common Units equal to the number of shares of Class A Common Stock needed by the Original Members to fulfill their obligations to sell shares of Class A Common Stock to the underwriters pursuant to the Underwriting Agreement, including in connection with any exercise by the underwriters of the Over-Allotment Option. A Member desiring to exercise its Redemption Right (the "***Redeeming Member***") shall exercise such right by giving written notice (the "***Redemption Notice***") to the Company with a copy to the Corporation. The Redemption Notice shall specify the number of Common Units (the "***Redeemed Units***") that the Redeeming Member intends to have the Company redeem and a date (unless and to the extent that the Manager in its sole discretion agrees in writing to waive such time periods) on which exercise of the Redemption Right shall be completed, which complies with the requirements set forth in Section 11.01(a)(ii) (the "***Redemption Date***"); *provided* that (x) if the Redemption Date occurs in a Restricted Taxable Year, the Redemption Date must be a date that satisfies the conditions of Section 11.01(a)(ii), and (y) the Company, the Corporation and the Redeeming Member may change the number of Redeemed Units and/or the Redemption Date specified in such Redemption Notice to another number and/or date by mutual agreement signed in writing by each of them; *provided further* that a Redemption Notice may be conditioned on the closing of an underwritten distribution of the shares of Class A Common Stock that may be issued in connection with such proposed Redemption. Unless the Redeeming Member timely has delivered a Retraction Notice as provided in Section 11.01(b) or has revoked or delayed a Redemption as provided in Section 11.01(c), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date) (A) the Redeeming Member shall transfer and surrender the Redeemed Units to the Company, free and clear of all liens and encumbrances, and (B) the Company shall (x) cancel the Redeemed Units, (y) transfer to the Redeeming Member the consideration to which the Redeeming Member is entitled under Section 11.01(b), and (z), if the Units are certificated, issue to the Redeeming Member a certificate for a number of Common Units equal to the difference (if any) between the number of Common Units evidenced by the certificate surrendered by the Redeeming Member pursuant to clause (B) of this Section 11.01(a)(i) and the Redeemed Units.

(ii) Except as provided in Section 11.01(f), any Redemption Date that occurs in a Restricted Taxable Year must be a Quarterly Redemption Date not less than sixty (60) days after delivery of the applicable Redemption Notice. Except as provided in Section 11.01(f), any Redemption Date that occurs in a year that is not a Restricted Taxable Year must be not less than seven (7) Business Days nor more than ten (10) Business Days after delivery of the applicable Redemption Notice.

(b) In exercising its Redemption Right, a Redeeming Member shall be entitled to receive the Share Settlement or the Cash Settlement; provided that, except as provided in Section 11.01(f), the Corporation shall have the option (as determined solely by its Independent Directors who are disinterested) as provided in Section 11.02 and subject to Section 11.01(d) to select whether the redemption payment is made by means of a Share Settlement or a Cash Settlement. Within three (3) Business Days of delivery of the Redemption Notice, the Corporation shall give written notice (the "***Contribution Notice***") to the Company (with a copy to the Redeeming Member) of its intended settlement method; provided that if the Corporation does not timely deliver a Contribution Notice, the Corporation shall be deemed to have elected the Share Settlement method. If the Corporation elects the Cash Settlement method, the Redeeming Member may retract its Redemption Notice by giving written notice (the "***Retraction Notice***") to the Company (with a copy to the Corporation) within two (2) Business Days of delivery of the Contribution Notice. The timely delivery of a Retraction Notice shall terminate all of the Redeeming Member's, Company's and the Corporation' rights and obligations under this Section 11.01 arising from the Redemption Notice.

(c) In the event the Corporation elects a Share Settlement in connection with a Redemption, a Redeeming Member shall be entitled to revoke its Redemption Notice or delay the consummation of a Redemption if any of the following conditions exists: (i) any registration statement pursuant to which the resale of the Class A Common Stock to be registered for such Redeeming Member at or immediately following the consummation of the Redemption shall have ceased to be effective pursuant to any action or inaction by the SEC or no such resale registration statement has yet become effective; (ii) the Corporation shall have failed to cause any related prospectus to be supplemented by any required prospectus supplement necessary to effect such Redemption; (iii) the Corporation shall have exercised its right to defer, delay or suspend the filing or effectiveness of a registration statement and such deferral, delay or suspension shall affect the ability of such Redeeming Member to have its Class A Common Stock registered at or immediately following the consummation of the Redemption; (iv) the Corporation shall have disclosed to such Redeeming Member any material non-public information concerning the Corporation, the receipt of which could reasonably be determined to result in such Redeeming Member being prohibited or restricted from selling Class A Common Stock at or immediately following the Redemption without disclosure of such information (and the Corporation does not permit disclosure); (v) any stop order relating to the registration statement pursuant to which the Class A Common Stock was to be registered by such Redeeming Member at or immediately following the Redemption shall have been issued by the SEC; (vi) there shall have occurred a material disruption in the securities markets generally or in the market or markets in which the Class A Common Stock is then traded; (vii) there shall be in effect an injunction, a restraining order or a decree of any nature of any Governmental Entity that restrains or prohibits the Redemption; (viii) the Corporation shall have failed to comply in all material respects with its obligations under the Registration Rights Agreement, and such failure shall have affected the ability of such Redeeming Member to consummate the resale of Class A Common Stock to be received upon such redemption pursuant to an effective registration statement; (ix) the Redemption Date would occur three (3) Business Days or less prior to, or during, a Black-Out Period; provided further, that in no event shall the Redeeming Member seeking to revoke its Redemption Notice or delay the consummation of such Redemption and relying on any of the matters contemplated in clauses (i) through (ix) above have controlled or intentionally materially influenced any facts, circumstances, or Persons in connection therewith (except in the good faith performance of his or her duties as an officer or director of the Corporation) in order to provide such Redeeming Member with a basis for such delay or revocation. If a Redeeming Member delays the consummation of a Redemption pursuant to this Section 11.01(c), the Redemption Date shall occur on the fifth Business Day following the date on which the conditions giving rise to such delay cease to exist (or such earlier day as the Corporation, the Company and such Redeeming Member may agree in writing).

(d) The number of shares of Class A Common Stock or the Redeemed Units Equivalent that a Redeeming Member is entitled to receive under Section 11.01(b) (through a Share Settlement or Cash Settlement, as applicable) shall not be adjusted on account of any Distributions previously made with respect to the Redeemed Units or dividends previously paid with respect to Class A Common Stock; provided, however, that if a Redeeming Member causes the Company to redeem Redeemed Units and the Redemption Date occurs subsequent to the record date for any Distribution with respect to the Redeemed Units but prior to payment of such Distribution, the Redeeming Member shall be entitled to receive such Distribution with respect to the Redeemed Units on the date that it is made notwithstanding that the Redeeming Member transferred and surrendered the Redeemed Units to the Company prior to such date.

(e) In the event of a reclassification or other similar transaction as a result of which the shares of Class A Common Stock are converted into another security, then in exercising its Redemption Right a Redeeming Member shall be entitled to receive the amount of such security that the Redeeming Member would have received if such Redemption Right had been exercised and the Redemption Date had occurred immediately prior to the record date of such reclassification or other similar transaction. Notwithstanding anything to the contrary contained herein, neither the Company nor the Corporation shall be obligated to effectuate a Redemption if such Redemption (in the sole discretion of the Manager) could cause the Company to be treated as a "publicly traded partnership" or to be taxed as a corporation pursuant Section 7704 of the Code or successor provisions of the Code.

(f) Notwithstanding any conflicting provisions of this Section 11.01, in connection with the IPO, the Original Members that are parties to the IPO Common Unit Redemption Agreement may effect a Redemption pursuant to the IPO Common Unit Redemption Agreement of an aggregate number of Common Units equal to the aggregate number of shares of Class A Common Stock to be sold by Original Members to the underwriters pursuant to the Underwriting Agreement, including in connection with any exercise by the underwriters of the Over-Allotment Option.

Section 11.02 Election and Contribution of the Corporation. In connection with the exercise of a Redeeming Member's Redemption Rights under Section 11.01(a), the Corporation shall contribute to the Company the consideration the Redeeming Member is entitled to receive under Section 11.01(b). Except as provided in Section 11.01(f), the Corporation, at its option (as determined solely by its Independent Directors who are disinterested), shall determine whether to contribute, pursuant to Section 11.01(b), the Share Settlement or the Cash Settlement. Unless the Redeeming Member has timely delivered a Retraction Notice as provided in Section 11.01(b), or has revoked or delayed a Redemption as provided in Section 11.01(c), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date) (i) the Corporation shall make its Capital Contribution to the Company (in the form of the Share Settlement or the Cash Settlement) required under this Section 11.02, and (ii) the Company shall issue to the Corporation a number of Common Units equal to the number of Redeemed Units surrendered by the Redeeming Member. Notwithstanding any other provisions of this Agreement to the contrary, in the event that the Corporation elects a Cash Settlement, the Corporation shall only be obligated to contribute to the Company an amount in respect of such Cash Settlement equal to the net proceeds (after deduction of any underwriters' discounts or commissions and brokers' fees or commissions) from the sale by the Corporation of a number of shares of Class A Common Stock equal to the number of Redeemed Units to be redeemed with such Cash Settlement provided that the Corporation's Capital Account shall be increased by an amount equal to any Discount relating to such sale of shares of Class A Common Stock in accordance with Section 6.06. The timely delivery of a Retraction Notice shall terminate all of the Company's and the Corporation' rights and obligations under this Section 11.02 arising from the Redemption Notice.

Section 11.03 Exchange Right of the Corporation.

(a) Notwithstanding anything to the contrary in this Article XI, the Corporation may, in its sole and absolute discretion (as determined solely by its Independent Directors who are disinterested), elect to effect on the Redemption Date the exchange of Redeemed Units for the Share Settlement or Cash Settlement, as the case may be, through a direct exchange of such Redeemed Units and such consideration between the Redeeming Member and the Corporation (a "***Direct Exchange***"). Upon such Direct Exchange pursuant to this Section 11.03, the Corporation shall acquire the Redeemed Units and shall be treated for all purposes of this Agreement as the owner of such Units.

(b) The Corporation may, at any time prior to a Redemption Date, deliver written notice (an "***Exchange Election Notice***") to the Company and the Redeeming Member setting forth its election to exercise its right to consummate a Direct Exchange; provided that such election does not prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. An Exchange Election Notice may be revoked by the Corporation at any time; provided that any such revocation does not prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. The right to consummate a Direct Exchange in all events shall be exercisable for all the Redeemed Units that would have otherwise been subject to a Redemption. Except as otherwise provided by this Section 11.03, a Direct Exchange shall be consummated pursuant to the same timeframe and in the same manner as the relevant Redemption would have been consummated if the Corporation had not delivered an Exchange Election Notice.

Section 11.04 Reservation of Shares of Class A Common Stock; Listing; Certificate of the Corporation At all times the Corporation shall reserve and keep available out of its authorized but unissued Class A Common Stock, solely for the purpose of issuance upon a Redemption or Direct Exchange, such number of shares of Class A Common Stock as shall be issuable upon any such Redemption or Direct Exchange pursuant to Share Settlements; provided that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of any such Redemption or Direct Exchange by delivery of purchased Class A Common Stock (which may or may not be held in the treasury of the Corporation) or the delivery of cash pursuant to a Cash Settlement. The Corporation shall deliver Class A Common Stock that has been registered under the Securities Act with respect to any Redemption or Direct Exchange to the extent a registration statement is effective and available for such shares. The Corporation shall use its commercially reasonable efforts to list the Class A Common Stock required to be delivered upon any such Redemption or Direct Exchange prior to such delivery upon each national securities exchange upon which the outstanding shares of Class A Common Stock are listed at the time of such Redemption or Direct Exchange (it being understood that any such shares may be subject to transfer restrictions under applicable securities Laws). The Corporation covenants that all Class A Common Stock issued upon a Redemption or Direct Exchange will, upon issuance, be validly issued, fully paid and non-assessable. The provisions of this Article XI shall be interpreted and applied in a manner consistent with the corresponding provisions of the Corporation's certificate of incorporation.

Section 11.05 Effect of Exercise of Redemption or Exchange Right. This Agreement shall continue notwithstanding the consummation of a Redemption or Direct Exchange and all governance or other rights set forth herein shall be exercised by the remaining Members and the Redeeming Member (to the extent of such Redeeming Member's remaining interest in the Company). No Redemption or Direct Exchange shall relieve such Redeeming Member of any prior breach of this Agreement.

Section 11.06 Tax Treatment. Unless otherwise required by applicable Law, the parties hereto acknowledge and agree a Redemption or a Direct Exchange, as the case may be, shall be treated as a direct exchange between the Corporation and the Redeeming Member for U.S. federal and applicable state and local income tax purposes.

ARTICLE XII

ADMISSION OF MEMBERS

Section 12.01 Substituted Members. Subject to the provisions of Article X hereof, in connection with the Permitted Transfer of a Company Interest hereunder, the transferee shall become a substituted Member ("***Substituted Member***") on the effective date of such Permitted Transfer, which effective date shall not be earlier than the date of compliance with the conditions to such Transfer, and such admission shall be shown on the books and records of the Company.

Section 12.02 Additional Members. Subject to the provisions of Article X hereof, any Person that is not an Original Member may be admitted to the Company as an additional Member (any such Person, an "***Additional Member***") only upon furnishing to the Manager (a) counterparts of this Agreement and any applicable Other Agreements and (b) such other documents or instruments as may be reasonably necessary or appropriate to effect such Person's admission as a Member (including entering into such documents as the Manager may deem appropriate in its reasonable discretion). Such admission shall become effective on the date on which the Manager determines in its reasonable discretion that such conditions have been satisfied and when any such admission is shown on the books and records of the Company.

ARTICLE XIII

WITHDRAWAL AND RESIGNATION; TERMINATION OF RIGHTS

Section 13.01 Withdrawal and Resignation of Members. No Member shall have the power or right to withdraw or otherwise resign as a Member from the Company prior to the dissolution and winding up of the Company pursuant to Article XIV. Any Member, however, that attempts to withdraw or otherwise resign as a Member from the Company without the prior written consent of the Manager upon or following the dissolution and winding up of the Company pursuant to Article XIV, but prior to such Member receiving the full amount of Distributions from the Company to which such Member is entitled pursuant to Article XIV, shall be liable to the Company for all damages (including all lost profits and special, indirect and consequential damages) directly or indirectly caused by the withdrawal or resignation of such Member. Upon a Transfer of all of a Member's Units in a Transfer permitted by this Agreement, subject to the provisions of Section 10.06, such Member shall cease to be a Member.

ARTICLE XIV

DISSOLUTION AND LIQUIDATION

Section 14.01 Dissolution. The Company shall not be dissolved by the admission of Additional Members or Substituted Members or the attempted withdrawal or resignation of a Member. The Company shall dissolve, and its affairs shall be wound up, upon:

(a) the decision of the Manager together with the holders of a majority of the then-outstanding Common Units entitled to vote to dissolve the Company;

(b) a Change of Control Transaction that is not approved by the Majority Members;

(c) a dissolution of the Company under Section 18-801 of the Act; or

(d) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act.

Except as otherwise set forth in this Article XIV, the Company is intended to have perpetual existence. An Event of Withdrawal shall not cause a dissolution of the Company and the Company shall continue in existence subject to the terms and conditions of this Agreement.

Section 14.02 Liquidation and Termination. On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more Persons as liquidator. The liquidators shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidators shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidators are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the liquidators shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the liquidators shall cause the notice described in the Act to be mailed to each known creditor of and claimant against the Company in the manner described thereunder;

(c) the liquidators shall pay, satisfy or discharge from Company funds, or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine): first, all expenses incurred in liquidation; and second, all of the debts, liabilities and obligations of the Company; and

(d) all remaining assets of the Company shall be distributed to the Members in accordance with Article IV by the end of the Taxable Year during which the liquidation of the Company occurs (or, if later, by ninety (90) days after the date of the liquidation). The distribution of cash and/or property to the Members in accordance with the provisions of this Section 14.02 and Section 14.03 below constitutes a complete return to the Members of their Capital Contributions, a complete distribution to the Members of their interest in the Company and all the Company's property and constitutes a compromise to which all Members have consented within the meaning of the Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

Section 14.03 Deferment; Distribution in Kind. Notwithstanding the provisions of Section 14.02, but subject to the order of priorities set forth therein, if upon dissolution of the Company the liquidators determine that an immediate sale of part or all of the Company's assets would be impractical or would cause undue loss (or would otherwise not be beneficial) to the Members, the liquidators may, in their sole discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy Company liabilities (other than loans to the Company by Members) and reserves. Subject to the order of priorities set forth in Section 14.02, the liquidators may, in their sole discretion, distribute to the Members, in lieu of cash, either (a) all or any portion of such remaining Company assets in-kind in accordance with the provisions of Section 14.02(d), (b) as tenants in common and in accordance with the provisions of Section 14.02(d), undivided interests in all or any portion of such Company assets or (c) a combination of the foregoing. Any such Distributions in kind shall be subject to (y) such conditions relating to the disposition and management of such assets as the liquidators deem reasonable and equitable and (z) the terms and conditions of any agreements governing such assets (or the operation thereof or the holders thereof) at such time. Any Company assets distributed in kind will first be written up or down to their Fair Market Value, thus creating Profit or Loss (if any), which shall be allocated in accordance with Article V. The liquidators shall determine the Fair Market Value of any property distributed in accordance with the valuation procedures set forth in Article XV.

Section 14.04 Cancellation of Certificate. On completion of the distribution of Company assets as provided herein, the Company is terminated (and the Company shall not be terminated prior to such time), and the Manager (or such other Person or Persons as the Act may require or permit) shall file a certificate of cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to this Agreement that are or should be canceled and take such other actions as may be necessary to terminate the Company. The Company shall be deemed to continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 14.04.

Section 14.05 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Sections 14.02 and 14.03 in order to minimize any losses otherwise attendant upon such winding up.

Section 14.06 Return of Capital. The liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from Company assets).

ARTICLE XV

VALUATION

Section 15.01 Determination. "***Fair Market Value***" of a specific Company asset will mean the amount which the Company would receive in an all-cash sale of such asset in an arms-length transaction with a willing unaffiliated third party, with neither party having any compulsion to buy or sell, consummated on the day immediately preceding the date on which the event occurred which necessitated the determination of the Fair Market Value (and after giving effect to any transfer taxes payable in connection with such sale), as such amount is determined by the Manager (or, if pursuant to Section 14.02, the liquidators) in its good faith judgment using all factors, information and data it deems to be pertinent.

Section 15.02 Dispute Resolution. If any Member or Members dispute the accuracy of any determination of Fair Market Value in accordance with Section 15.01, and the Manager and such Member(s) are unable to agree on the determination of the Fair Market Value of any asset of the Company, the Manager and such Member(s) shall each select a nationally recognized investment banking firm experienced in valuing securities of closely-held companies such as the Company in the Company's industry (the "***Appraisers***"), who shall each determine the Fair Market Value of the asset or the Company (as applicable) in accordance with the provisions of Section 15.01. The Appraisers shall be instructed to give written notice of their determination of the Fair Market Value of the asset or the Company (as applicable) within thirty (30) days of their appointment as Appraisers. If Fair Market Value as determined by an Appraiser is higher than Fair Market Value as determined by the other Appraiser by 10% or more, and the Manager and such Member(s) do not otherwise agree on a Fair Market Value, the original Appraisers shall designate a third Appraiser meeting the same criteria used to select the original two. If Fair Market Value as determined by an Appraiser is within 10% of the Fair Market Value as determined by the other Appraiser (but not identical), and the Manager and such Member(s) do not otherwise agree on a Fair Market Value, the Manager shall select the Fair Market Value of one of the Appraisers. The fees and expenses of the Appraisers shall be borne by the Company.

ARTICLE XVI

GENERAL PROVISIONS

Section 16.01 Power of Attorney.

(a) Each Member who is an individual hereby constitutes and appoints the Manager (or the liquidator, if applicable) with full power of substitution, as his or her true and lawful agent and attorney-in-fact, with full power and authority in his, her or its name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) this Agreement, all certificates and other instruments and all amendments thereof which the Manager deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (B) all instruments which the Manager deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (C) all conveyances and other instruments or documents which the Manager deems appropriate or necessary to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement, including a certificate of cancellation; and (D) all instruments relating to the admission, withdrawal or substitution of any Member pursuant to Article XII or XIII; and

(ii) sign, execute, swear to and acknowledge all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the reasonable judgment of the Manager, to evidence, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Members hereunder or is consistent with the terms of this Agreement, in the reasonable judgment of the Manager, necessary or appropriate to effectuate the terms of this Agreement.

(b) The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member who is an individual and the transfer of all or any portion of his, her or its Company Interest and shall extend to such Member's heirs, successors, assigns and personal representatives.

Section 16.02 Confidentiality.

(a) The Manager and each of the Members agree to hold the Company's Confidential Information in confidence and may not use such information except (i) in furtherance of the business of the Company, (ii) as reasonably necessary for compliance with applicable law, including compliance with disclosure requirements under the Securities Act and the Exchange Act, and securities laws of other jurisdictions, or (iii) as otherwise authorized separately in writing by the Manager. "***Confidential Information***" as used herein includes, but is not limited to, ideas, financial product structuring, business strategies, innovations and materials, all aspects of the Company's business plan, proposed operation and products, corporate structure, financial and organizational information, analyses, proposed partners, software code and system and product designs, employees and their identities, equity ownership, the methods and means by which the Company plans to conduct its business, all trade secrets, trademarks, tradenames and all intellectual property associated with the Company's business. With respect to the Manager and each Member, Confidential Information does not include information or material that: (a) is rightfully in the possession of the Manager or each Member at the time of disclosure by the Company; (b) before or after it has been disclosed to the Manager or each Member by the Company, becomes part of public knowledge, not as a result of any action or inaction of the Manager or such Member, respectively, in violation of this Agreement; (c) is approved for release by written authorization of the Chief Executive Officer of the Company or of the Corporation; (d) is disclosed to the Manager or such Member or their representatives by a third party not, to the knowledge of the Manager or such Member, respectively, in violation of any obligation of confidentiality owed to the Company with respect to such information; or (e) is or becomes independently developed by the Manager or such Member or their respective representatives without use or reference to the Confidential Information.

(b) Notwithstanding Section 16.02(a), each of the Members may disclose Confidential Information to its Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents, on the condition that such Persons keep the Confidential Information confidential to the same extent as such disclosing party is required to keep the Confidential Information confidential, solely to the extent it is reasonably necessary or appropriate to fulfill its obligations or to exercise its rights under this Agreement; *provided*, that the disclosing party shall remain liable with respect to any breach of this Section 16.02 by any such Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents.

(c) Notwithstanding Section 16.02(a) or Section 16.02(b), each of the Members may disclose Confidential Information (i) to the extent that such party is legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, (ii) for purposes of reporting to its stockholders and direct and indirect equity holders the performance of the Company and its Subsidiaries and for purposes of including applicable information in its financial statements to the extent required by applicable Law or applicable accounting standards; (iii) to any bona fide prospective purchaser of the equity or assets of a Member, or the Common Units held by such Member, or a prospective merger partner of such Member (*provided*, that (i) such Persons will be informed by such Member of the confidential nature of such information and shall agree in writing to keep such information confidential in accordance with the contents of this Agreement and (ii) each Member will be liable for any breaches of this Section 16.02 by any such Persons), or (iv) to the extent required to be disclosed by applicable Law. Notwithstanding any of the foregoing, nothing in this Section 16.02 will restrict in any manner the ability of the Corporation to comply with its disclosure obligations under Law, and the extent to which any Confidential Information is necessary or desirable to disclose.

Section 16.03 Amendments. This Agreement may be amended or modified upon the consent of the Manager and the Members holding a majority of the Common Units entitled to vote then outstanding (excluding for such purposes all Common Units held directly or indirectly by the Corporation). Notwithstanding the foregoing, no amendment or modification (x) to this Section 16.03 may be made without the prior written consent of the Manager and each of the Members, (y) to any of the terms and conditions of this Agreement which terms and conditions expressly require the approval or action of certain Persons may be made without obtaining the consent of the requisite number or specified percentage of such Persons who are entitled to approve or take action on such matter, and (z) to any of the terms and conditions of Article VI or Section 14.01 (and related definitions as used directly or indirectly therein) may be made without the prior written consent of the Manager, which consent may be given or withheld in the Manager's sole discretion.

Section 16.04 Title to Company Assets. Company assets shall be deemed to be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. The Company shall hold title to all of its property in the name of the Company and not in the name of any Member. All Company assets shall be recorded as the property of the Company on its books and records, irrespective of the name in which legal title to such Company assets is held. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred or encumbered for, or in payment of, any individual obligation of any Member.

Section 16.05 Addresses and Notices. Any notice provided for in this Agreement will be in writing and will be either personally delivered, or received by certified mail, return receipt requested, or sent by reputable overnight courier service (charges prepaid) to the Company at the address set forth below and to any other recipient and to any Member at such address as indicated by the Company's records, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder when delivered personally, three (3) days after deposit in the U.S. mail and one (1) day after deposit with a reputable overnight courier service or transmission via e-mail (provided confirmation of transmission is received). The Company's address is:

to the Company:

Greenlane Holdings, LLC
1095 Broken Sound Parkway
Suite 300
Boca Raton, Florida 33487
Attn: Zachary Tapp, Chief Financial Officer
E-mail: ztapp@gnln.com

with a copy (which copy shall not constitute notice) to:

Pryor Cashman LLP
7 Times Square
New York, New York 10036
Attn: Jeffrey C. Johnson, Esq.
E-mail: jjohnson@pryorcashman.com

Section 16.06 Binding Effect; Intended Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 16.07 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or any of its Affiliates, and no creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in Company Profits, Losses, Distributions, capital or property other than as a secured creditor.

Section 16.08 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

Section 16.09 Counterparts. This Agreement may be executed in separate counterparts, each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

Section 16.10 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Any dispute relating hereto shall be heard in the state or federal courts of the State of Delaware, and the parties agree to jurisdiction and venue therein.

Section 16.11 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 16.12 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking such actions as may be reasonably necessary or appropriate to achieve the purposes of this Agreement.

Section 16.13 Delivery by Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or contemplated hereby, and any amendments hereto or thereto, to the extent signed and delivered by means of an electronic transmission, including by a facsimile machine or via email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of electronic transmission by a facsimile machine or via email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through such electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

Section 16.14 Right of Offset. Whenever the Company is to pay any sum (other than pursuant to Article IV) to any Member, any amounts that such Member owes to the Company which are not the subject of a good faith dispute may be deducted from that sum before payment. For the avoidance of doubt, the distribution of Units to the Corporation shall not be subject to this Section 16.14.

Section 16.15 Effectiveness. This Agreement shall be effective immediately prior to the time at which the IPO closes on the IPO Closing Date (the "***Effective Time***"). The Prior Operating Agreement shall govern the rights and obligations of the Company and the other parties to this Agreement in their capacity as holders of the Original Units prior to the Effective Time.

Section 16.16 Entire Agreement. This Agreement, those documents expressly referred to herein (including the Registration Rights Agreement and the Tax Receivable Agreement), any indemnity agreements entered into in connection with the Prior Operating Agreement with any member of the board of managers at that time and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way. For the avoidance of doubt, the Prior Operating Agreement is superseded by this Agreement as of the Effective Time and shall be of no further force and effect thereafter.

Section 16.17 Remedies. Each Member shall have all rights and remedies set forth in this Agreement and all rights and remedies which such Person has been granted at any time under any other agreement or contract and all of the rights which such Person has under any Law. Any Person having any rights under any provision of this Agreement or any other agreements contemplated hereby shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by Law.

Section 16.18 Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word "including" in this Agreement shall be by way of example rather than by limitation and shall mean, "including, without limitation". Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof. Without limiting the generality of the immediately preceding sentence, no amendment or other modification to any agreement, document or instrument that requires the consent of any Person pursuant to the terms of this Agreement or any other agreement will be given effect hereunder unless such Person has consented in writing to such amendment or modification. Wherever required by the context, references to a Fiscal Year shall refer to a portion thereof. The use of the words "or," "either" and "any" shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Wherever a conflict exists between this Agreement and any other agreement, this Agreement shall control but solely to the extent of such conflict.

[*Remainder of page intentionally left blank*]

The undersigned hereby agree(s) to be bound by all of the terms and provisions of the Third Amended and Restated Operating Agreement of Greenlane Holdings, LLC as of the date first set forth above.

GREENLANE HOLDINGS, LLC
By: Greenlane Holdings, Inc., its Manager

By: _____
Name: [●]
Title: [●]

GREENLANE HOLDINGS, INC.

By: _____
Name: [●]
Title: [●]

[MEMBER]

By: _____
Name:
Title:

[MEMBER]

By: _____
Name:
Title:

SIGNATURE PAGE TO
THIRD AMENDED AND RESTATED OPERATING AGREEMENT OF GREENLANE HOLDINGS, LLC

Exhibit A

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of _____ , 20__ (this "Joinder"), is delivered pursuant to that certain Third Amended and Restated Operating Agreement, dated as of [●], 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Operating Agreement***") by and among Greenlane Holdings, LLC, a Delaware limited liability company (the "***Company***"), Greenlane Holdings, Inc., a Delaware corporation and the manager of the Company (the "***Corporation***"), and each of the Members from time to time party thereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Operating Agreement.

1. Joinder to the Operating Agreement. Upon the execution of this Joinder by the undersigned and delivery hereof to the Corporation, the undersigned hereby is and hereafter will be a Member under the Operating Agreement and a party thereto, with all the rights, privileges and responsibilities of a Member thereunder. The undersigned hereby agrees that it shall comply with and be fully bound by the terms of the Operating Agreement as if it had been a signatory thereto as of the date thereof.

2. Incorporation by Reference. All terms and conditions of the Operating Agreement are hereby incorporated by reference in this Joinder as if set forth herein in full.

3. Address. All notices under the Operating Agreement to the undersigned shall be directed to:

[Name]
[Address]
[City, State, Zip Code]
Attn:
Facsimile:
E-mail:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

[NAME OF NEW MEMBER]

By: _____
Name:
Title:

Acknowledged and agreed
as of the date first set forth above:

GREENLANE HOLDINGS, LLC

By: GREENLANE HOLDINGS, INC., its Manager

By: _____
Name: [●]
Title: [●]

Exhibit B

Corporation Stock Incentive Plan Implementation Guidelines

GREENLANE HOLDINGS, INC.

2019 EQUITY INCENTIVE PLAN

Policy Regarding Certain Equity Issuances

All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Greenlane Holdings, Inc. 2019 Equity Incentive Plan (the "***Plan***").

Pursuant to Sections 3(a) and 10(q) of the Plan, this Policy Regarding Certain Equity Issuances (this "***Policy***"), effective as of [●], 2019, is established to provide for the method by which shares of Common Stock or other securities and/or payment therefor may be exchanged or contributed between Greenlane Holdings, Inc. (the "***Company***") and Greenlane Holdings, LLC (the "***Operating Company***"), or any Subsidiary, or may be returned to the Company upon any forfeiture of shares of Common Stock or other securities by the Participant, for the purpose of ensuring that the relationship between the Company and its Subsidiaries remains at arm's-length.

This Policy may be modified, supplemented or terminated at any time and from time to time in the Company's discretion. In the event of any conflict between the Third Amended and Restated Operating Agreement of Greenlane Holdings, LLC, dated as of [●], 2019 (the "***Operating Agreement***") or the Plan and this Policy, the Operating Agreement or Plan, as applicable, will control. In the event of any conflict between the Operating Agreement and the Plan, unless explicitly stated otherwise, the Operating Agreement will control.

1. Restricted Stock Awards

   a. Transfers of Restricted Stock to Company Employees, Company Consultants or Company Directors. The following shall apply to Restricted Stock granted under the Plan to Employees and Consultants of the Company and Directors (collectively, "***Company Service Providers***") in consideration for services performed by such Company Service Providers:

      i. Issuance of Restricted Stock.

         A. The Company shall issue such number of shares of Common Stock as are to be issued to the Company Service Provider in accordance with the terms of the Plan.

         B. Concurrently with or prior to such issuance, a Company Service Provider shall pay the purchase price (if any) of the Restricted Stock to the Company in exchange for the issuance of the Restricted Stock.

         C. Prior to the Vesting Date (as defined below), the Company shall pay dividends to the holder of the Restricted Stock and make any other payments to the Company Service Provider as the terms of the Restricted Stock award provide for. The Company and the Operating Company shall treat such payments as having been made by the Company, and the Company shall report such payments as compensation to the Company Service Provider for all purposes. Prior to the Vesting Date, the Operating Company shall pay to the Company the amount of any such payments the Company is required to pay to the Company Service Provider, as a reimbursement of Company expenses pursuant to Section 6.06 of the Operating Agreement.

ii. Vesting of Restricted Stock. On the date when the value of any share of Restricted Stock is includible in taxable income (with respect to each such share, the "***Vesting Date***") of the Company Service Provider, the following events shall occur or be deemed to have occurred:

A. If required by Section 6.06 of the Operating Agreement, the Operating Company shall be deemed to reimburse the Company for the compensation expense equal to the amount includible in taxable income of the Company Service Provider.

B. The Operating Company shall issue to the Company on the Vesting Date a number of Common Units (as defined in the Operating Agreement) equal to the number of such shares of Restricted Stock that are includible in the taxable income of the Company Service Provider as of the applicable Vesting Date in consideration for a deemed Capital Contribution (as defined in the Operating Agreement) from the Company in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value (as defined in the Operating Agreement).

b. Transfers of Restricted Stock to Employees and Consultants of the Operating Company. The following shall apply to Restricted Stock granted under the Plan to Employees and Consultants of the Operating Company in consideration for services performed by such Employees and Consultants for the Operating Company or its Subsidiaries:

i. Issuance of Restricted Stock.

A. The Company shall issue such number of shares of Common Stock as are to be issued to the Employee or Consultant of the Operating Company in accordance with the terms of the Plan.

B. Concurrently with or prior to such issuance, an Employee or Consultant of the Operating Company shall pay the purchase price (if any) of the Restricted Stock to the Company in exchange for the issuance of the Restricted Stock.

C. The Company shall transfer any such purchase price to the Operating Company. For tax purposes, any such purchase price shall be treated as paid by the Employee or Consultant of the Operating Company to the Operating Company as the employer of the Employee or the recipient of the Consultant's services (*i.e.,* not a capital contribution).

D. Prior to the Vesting Date, the Company shall pay dividends to the holder of the Restricted Stock and make any other payments to the Employee or Consultant of the Operating Company as provided by the terms of the Restricted Stock award, provided that the Operating Company shall reimburse the Company for such amounts and deduct such amounts as compensation. In order to effectuate the foregoing, in addition to the Operating Company's distributions to the Company with respect to the Common Units held by the Company, the Operating Company shall make an additional payment to the Company in the amount of this reimbursement, which shall not be treated as a partnership distribution. The Company and the Operating Company shall treat such payments as having been made by the Operating Company (and not by the Company) to such Employee or Consultant, and the Operating Company shall report such payments as compensation to the Employee or Consultant of the Operating Company for all purposes.

ii. Vesting of Restricted Stock. On the Vesting Date of any shares of Restricted Stock of the Employee or Consultant of the Operating Company, the following events shall occur or be deemed to have occurred:

A. The Company shall be deemed to sell to the Operating Company (or, if the Employee or Consultant of the Operating Company is an employee or other service provider of a Subsidiary of the Operating Company, to such Subsidiary of the Operating Company), and the Operating Company (or such Subsidiary of the Operating Company) shall be deemed to purchase from the Company, such shares of Restricted Stock that are includible in the taxable income of the Employee or Consultant of the Operating Company on such Vesting Date (the "***Operating Company Purchased Restricted Stock***"). The deemed price paid by the Operating Company (or a Subsidiary of the Operating Company) to the Company for Operating Company Purchased Restricted Stock shall be an amount equal to the product of (x) the number of shares of Operating Company Purchased Restricted Stock and (y) the Fair Market Value of a share of Common Stock on the Vesting Date.

B. The Operating Company (or any Subsidiary of the Operating Company) shall be deemed to transfer Operating Company Purchased Restricted Stock to the Participant at no additional cost, as additional compensation.

C. The Operating Company shall issue to the Company on the Vesting Date a number of Common Units equal to the number of shares of Operating Company Purchased Restricted Stock in consideration for a deemed Capital Contribution from the Company in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value. In the case where an Employee or Consultant of the Operating Company is an employee or service provider to a Subsidiary of the Operating Company, then the Operating Company shall be deemed to have contributed such amount to the capital of such Subsidiary of the Operating Company.

2. Restricted Stock Unit and Other Stock or Cash Based Awards. The following shall apply to all Restricted Stock Units and Other Stock or Cash Based Awards (other than cash awards) granted under the Plan and settled in shares of Common Stock:

a. Transfers of Common Stock to Company Service Providers. The Company shall issue such number of shares of Common Stock as are to be issued to the Company Service Provider in accordance with the terms of the Plan and any Restricted Stock Unit or applicable Other Stock or Cash Based Award to a Company Service Provider in accordance with Section 6 or 7 of the Plan and, as soon as reasonably practicable after such Award is settled, with respect to each such settlement:

i. If required by Section 6.06 of the Operating Agreement, the Operating Company shall be deemed to reimburse the Company for the compensation expense equal to the amount includible in taxable income of the Company Service Provider with respect to such Award.

ii. The Operating Company shall issue to the Company on the date of settlement a number of Common Units equal to the number of shares of Common Stock issued in settlement of the Restricted Stock Unit or applicable Other Stock or Cash Based Award in consideration for a deemed Capital Contribution from the Company in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value.

b. Transfer of Common Stock to an Employee or Consultant of the Operating Company. The Company shall issue such number of shares of Common Stock as are to be issued to an Employee or Consultant of the Operating Company in accordance with the terms of the Plan and any Restricted Stock Unit or applicable Other Stock or Cash Based Award to an Employee or Consultant of the Operating Company in accordance with Section 6 or 7 of the Plan and, as soon as reasonably practicable after such Award is settled, with respect to each such settlement:

i. The Company shall be deemed to sell to the Operating Company (or, if the Employee or Consultant of the Operating Company is an employee or other service provider of a Subsidiary of the Operating Company, to such Subsidiary of the Operating Company), and the Operating Company (or such Subsidiary of the Operating Company) shall be deemed to purchase from the Company, the number of shares of Common Stock (the "***Operating Company Purchased RSU/Other Award Shares***") equal to the number issued in settlement of the Restricted Stock Units or Other Cash or Stock Based Awards. The deemed price paid by the Operating Company (or Subsidiary of the Operating Company) to the Company for Operating Company Purchased RSU/Other Award Shares shall be an amount equal to the product of (x) the number of Operating Company Purchased RSU/Other Award Shares and (y) the Fair Market Value of a share of Common Stock at the time of settlement.

ii. The Operating Company (or Subsidiary of the Operating Company) shall be deemed to transfer such shares of Common Stock to the Participant at no additional cost, as additional compensation.

iii. The Operating Company shall issue to the Company on the date of settlement a number of Common Units equal to the number of Operating Company Purchased RSU/Other Award Shares in consideration for a deemed Capital Contribution from the Company in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value. In the case where an Employee or Consultant of the Operating Company is an employee or service provider to a Subsidiary of the Operating Company, the Operating Company shall be deemed to have contributed such amount to the capital of such Subsidiary of the Operating Company.

c. Other Full-Value Awards. To the extent the Company grants full-value Awards (other than Restricted Stock, Restricted Stock Units and Other Stock and Cash Based Awards), the provisions of this Section 2 shall apply *mutatis mutandis* with respect to such full-value Awards, to the extent applicable (as determined by the Administrator).

3. Stock Options. The following shall apply to Options granted under the Plan:

a. Transfer of Common Stock to a Company Service Provider. As soon as reasonably practicable after receipt by the Company, pursuant to Section 5(e) of the Plan, of payment for the shares of Common Stock with respect to which an Option (which in the case of a Company Service Provider was issued to and is held by such Participant in such capacity), or portion thereof, is exercised by a Participant who is a Company Service Provider:

i. The Company shall transfer to the holder of such Option the number of shares of Common Stock equal to the number of shares of Common Stock subject to the Option (or portion thereof) that is exercised.

ii. The Company, shall, as soon as practicable after such exercise, make a Capital Contribution to the Operating Company in an amount equal to the exercise price paid to the Company by such Participant in connection with the exercise of the Option. If required by Section 6.06 of the Operating Agreement, the Operating Company shall be deemed to reimburse the Company for the compensation expense equal to the Fair Market Value of a share of Common Stock as of the date of exercise multiplied by the number of shares of Common Stock then being issued in connection with the exercise of such Option less the exercise price paid to the Company by such Participant in connection with the exercise of the Option. Notwithstanding the amount of the Capital Contribution actually made pursuant to this Section 3(a)(ii), the Company shall be deemed to have contributed to the Operating Company as a Capital Contribution, in lieu of the Capital Contribution actually made, an amount equal to the Fair Market Value of a share of Common Stock as of the date of exercise multiplied by the number of shares of Common Stock then being issued in connection with the exercise of such Option.

iii. The Operating Company shall issue to the Company, on the date of the deemed Capital Contribution described in Section 3(a)(ii) hereof, a number of Common Units equal to the number of newly issued shares of Common Stock pursuant to Section 3(a)(i) hereof, in consideration for the deemed Capital Contribution described in Section 3(a)(ii) hereof.

b. Transfer of Common Stock to an Employee or Consultant of the Operating Company. As soon as reasonably practicable after receipt by the Company, pursuant to Section 5(e) of the Plan, of payment for the shares of Common Stock with respect to which an Option (which was issued to and is held by an Employee or Consultant of the Operating Company in such capacity), or portion thereof, is exercised by a Participant who is an Employee or Consultant of the Operating Company:

i. The Company shall transfer to the Participant, on behalf of the Operating Company, the number of shares of Common Stock equal to (A) the amount of the exercise price paid by the Participant to the Company pursuant to Section 5(e) of the Plan divided by (B) the Fair Market Value of a share of Common Stock at the time of exercise (the "***Operating Company Holder Purchased Shares***").

ii. The Company shall be deemed to sell to the Operating Company (or, if the Employee or Consultant is an employee or other service provider of a Subsidiary of the Operating Company, to such Subsidiary of the Operating Company), and the Operating Company (or such Subsidiary of the Operating Company) shall be deemed to purchase from the Company, the number of shares of Common Stock (the "***Operating Company Purchased Option Shares***") equal to the excess of (A) the number of shares subject to the Option (or portion thereof) that is exercised, over (B) the number of Operating Company Holder Purchased Shares. The deemed price paid by the Operating Company (or a Subsidiary of the Operating Company) to the Company for Operating Company Purchased Option Shares shall be an amount equal to the product of (x) the number of Operating Company Purchased Option Shares and (y) the Fair Market Value of a share of Common Stock at the time of the exercise.

iii. The Operating Company (or a Subsidiary of the Operating Company) shall be deemed to transfer Operating Company Purchased Option Shares to the Participant at no additional cost, as additional compensation.

iv. The Operating Company shall issue to the Company on the date of exercise a number of Common Units equal to the sum of the number of Operating Company Holder Purchased Shares and the number of Operating Company Purchased Option Shares in consideration for a deemed Capital Contribution from the Company in an amount equal to the number of Common Units issued in accordance with this section, multiplied by the Fair Market Value. In the case where an Employee or Consultant of the Operating Company is an employee or service provider to a Subsidiary of the Operating Company, the Operating Company shall be deemed to have contributed such amount to the capital of such Subsidiary of the Operating Company.

c. Stock Appreciation Rights. To the extent the Company grants any Stock Appreciation Rights, the provisions of this Section 3 shall apply *mutatis mutandis* with respect to such Stock Appreciation Rights, to the extent applicable (as determined by the Administrator).

4. Dividend Equivalent Awards. The following shall apply to Dividend Equivalents granted under the Plan to Employees and Consultants of the Operating Company:

a. The Company shall make any payments to an Employee or Consultant of the Operating Company under the terms of the Dividend Equivalent award, provided that the Operating Company shall reimburse the Company for such amounts and deduct such amounts as compensation. In order to effectuate the foregoing, in addition to the Operating Company's distributions to the Company with respect to Common Units held by the Company, the Operating Company shall make an additional payment to the Company in the amount of this reimbursement, which shall not be treated as a partnership distribution. The Company and the Operating Company shall treat such payments as having been made by the Operating Company (and not by the Company to such Employee or Consultant of the Operating Company), and the Operating Company shall report such payments as compensation to such Employee or Consultant of the Operating Company for all purposes.

5. Forfeiture, Surrender or Repurchase of Common Stock. If any shares of Common Stock granted under the Plan are (a) forfeited or surrendered by any Service Provider eligible to participate in the Plan (an "***Eligible Service Provider***") or (b) repurchased from any Eligible Service Provider by the Company, the Operating Company or a Subsidiary, (i) the shares of Common Stock forfeited, surrendered or repurchased shall be returned to the Company, (ii) the Company (or, if the Eligible Service Provider is an Employee or Consultant of the Operating Company, the Operating Company or a Subsidiary of the Operating Company, as applicable) shall pay the repurchase price (if any) of the repurchased shares of Common Stock to such Eligible Service Provider, and (iii) the Operating Company shall, contemporaneously with such forfeiture, surrender or repurchase of shares of Common Stock, redeem or repurchase a number of the Common Units held by the Company equal to the number of forfeited, surrendered or repurchased shares of Common Stock, such redemption or repurchase to be upon the same terms and for the same price per Common Unit as such shares of Common Stock are forfeited, surrendered or repurchased.

Exhibit C-1

FORM OF AGREEMENT AND CONSENT OF SPOUSE

The undersigned spouse of _____ (the "***Member***"), a party to that certain Third Amended and Restated Operating Agreement, dated as of [●], 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Agreement***") by and among Greenlane Holdings LLC, a Delaware limited liability company (the "***Company***") and each of the Members from time to time party thereto (capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Agreement), acknowledges on the undersigned's own behalf that:

I have read the Agreement and understand its contents. I acknowledge and understand that under the Agreement, any interest I may have, community property or otherwise, in the Units owned by the Member is subject to the terms of the Agreement, which include certain restrictions on transfer.

I hereby consent to and approve the Agreement. I agree that said Units and any interest I may have, community property or otherwise, in such Units are subject to the provisions of the Agreement and that I will take no action at any time to hinder operation of the Agreement on said Units or any interest I may have, community property or otherwise, in said Units.

I hereby acknowledge that the meaning and legal consequences of the Agreement have been explained fully to me and are understood by me, and that I am signing this agreement and consent without any duress and of free will.

Dated:

[NAME OF SPOUSE]

By: _____

Name:

Exhibit C-2

FORM OF SPOUSE'S CONFIRMATION OF SEPARATE PROPERTY

The undersigned spouse of _____ (the "***Member***"), a party to that certain Third Amended and Restated Operating Agreement, dated as of [●], 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "***Agreement***") by and among Greenlane Holdings LLC, a Delaware limited liability company (the "***Company***") and each of the Members from time to time party thereto (capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Agreement), acknowledges and confirms on his or her own behalf that the Units owned by said Member are the sole and separate property of said Member, and I hereby disclaim any interest in same.

I hereby acknowledge that the meaning and legal consequences of this Member's spouse's confirmation of separate property have been fully explained to me and are understood by me, and that I am signing this Member's spouse's confirmation of separate property without any duress and of free will.

Dated:

[NAME OF SPOUSE]

By: _____

Name:

TAX RECEIVABLE AGREEMENT

by and among

GREENLANE HOLDINGS, INC.,

GREENLANE HOLDINGS, LLC

and

THE MEMBERS OF GREENLANE HOLDINGS, LLC
FROM TIME TO TIME PARTY HERETO

Dated as of [●], 2019

CONTENTS

TAX RECEIVABLE AGREEMENT

This TAX RECEIVABLE AGREEMENT (this "Agreement"), dated as of [●], 2019, is hereby entered into by and among Greenlane Holdings, Inc., a Delaware corporation (the "Corporation"), Greenlane Holdings, LLC, a Delaware limited liability company formerly known as Jacoby Holdings LLC ("Greenlane Holdings, LLC") and each of the Members from time to time party hereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in Section 1.1.

RECITALS

WHEREAS, Greenlane Holdings, LLC is treated as a partnership for U.S. federal income tax purposes;

WHEREAS, each of the members of Greenlane Holdings, LLC as of the date hereof other than the Corporation (such members, together with each other Person who becomes party hereto by satisfying the Joinder Requirement, the "Members") owns common limited liability company interests in Greenlane Holdings, LLC (the "Units");

WHEREAS, the Corporation intends to issue shares of its Class A common stock, par value $0.01 per share (the "Class A Common Stock"), to certain purchasers in an initial public offering of its Class A Common Stock (the "IPO");

WHEREAS, on the closing date of the IPO (the "IPO Closing Date"), the Corporation will acquire newly-issued Units directly from Greenlane Holdings, LLC using proceeds from the IPO and will become the managing member of Greenlane Holdings, LLC;

WHEREAS, on and after the IPO Closing Date, pursuant to Article XI of the Operating Agreement (as defined below), each Member has the right, in its sole discretion, from time to time to have all or a portion its Units redeemed by Greenlane Holdings, LLC for, at the Corporation's election, cash or Class A Common Stock (a "Redemption"); *provided* that, at the election of the Corporation in its sole discretion, the Corporation may effect a direct exchange of such cash or shares of Class A Common Stock for such Units (a "Direct Exchange");

WHEREAS, on the IPO Closing Date, the Corporation will acquire additional Units from certain Members in a Direct Exchange pursuant to the terms of the IPO Common Unit Redemption Agreement (as defined below) and may in the future acquire additional Units from such Members pursuant to the terms of the IPO Common Unit Redemption Agreement;

WHEREAS, Greenlane Holdings, LLC will have in effect an election under Section 754 of the Code as provided underSection 2.1(b) for the Taxable Year (as defined below) in which any Exchange (as defined below) occurs, which election will result in an adjustment to the Corporation's share of the tax basis of the assets owned by Greenlane Holdings, LLC and its relevant subsidiaries (including any subsidiaries that are classified as partnerships for U.S. federal income tax purposes and have made an election under Section 754 of the Code) (Greenlane Holdings, LLC and its relevant subsidiaries, the "Greenlane Holdings, LLC Group"), as of the date of the Exchange, with a consequent result on the taxable income subsequently derived therefrom; and

WHEREAS, the parties to this Agreement desire to provide for certain payments and make certain arrangements with respect to any tax benefits to be derived by the Corporation as the result of Exchanges and making payments under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings (such meanings to be equally applicable to both (i) the singular and plural and (ii) the active and passive forms of the terms defined).

"10% Member" is defined in Section 6.1 of this Agreement.

"Actual Interest Amount" is defined in Section 3.1(b)(vii) of this Agreement.

"Actual Tax Liability" means, with respect to any Taxable Year, the liability for Covered Taxes of the Corporation (a) appearing on Tax Returns of the Corporation for such Taxable Year and (b) if applicable, determined in accordance with a Determination (including interest imposed in respect thereof under applicable law).

"Advisory Firm" means an accounting firm that is nationally recognized as being expert in Covered Tax matters, selected by the Corporation.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such first Person.

"Agreed Rate" means LIBOR plus 100 basis points.

"Agreement" is defined in the recitals to this Agreement.

"Amended Schedule" is defined in Section 2.4(b) of this Agreement.

"Attributable" is defined in Section 3.1(b)(i) of this Agreement.

"Audit Committee" means the audit committee of the Board.

"Basis Adjustment" means the increase or decrease to, or the Corporation's share of, the tax basis of the Reference Assets (i) under Section 734(b), 743(b), 754 and 755 of the Code and, in each case, the comparable sections of U.S. state and local tax law (in situations where, following an Exchange, Greenlane Holdings, LLC remains in existence as an entity for tax purposes) and (ii) under Sections 732 and 1012 of the Code and, in each case, the comparable sections of U.S. state and local tax law (in situations where, as a result of one or more Exchanges, Greenlane Holdings, LLC becomes an entity that is disregarded as separate from its owner for tax purposes), in each case, as a result of any Exchange and any payments made under this Agreement. Notwithstanding any other provision of this Agreement, the amount of any Basis Adjustment resulting from an Exchange of one or more Units shall be determined without regard to any Pre-Exchange Transfer of such Units and as if any such Pre-Exchange Transfer had not occurred.

"Basis Schedule" is defined in Section 2.2 of this Agreement.

"Beneficial Owner" means, with respect to any security, a Person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares: (i) voting power, which includes the power to vote, or to direct the voting of, with respect to such security and/or (ii) investment power, which includes the power to dispose of, or to direct the disposition of, such security.

"Board" means the Board of Directors of the Corporation.

"Business Day" means any day excluding Saturday, Sunday and any day that is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in New York are closed.

"Change of Control" means the occurrence of any of the following events:

(1) any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Exchange Act (excluding any "person" or "group" who, on the date of the consummation of the IPO, is the Beneficial Owner of securities of the Corporation representing more than fifty percent (50%) of the combined voting power of the Corporation's then outstanding voting securities)) becomes the Beneficial Owner of securities of the Corporation representing more than fifty percent (50%) of the combined voting power of the Corporation's then outstanding voting securities;

(2) the shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated an agreement or series of related agreements for the sale or other disposition, directly, or indirectly, by the Corporation of all or substantially all of the Corporation's assets (including a sale of assets of Greenlane Holdings, LLC), other than such sale or other disposition by the Corporation of all or substantially all of the Corporation's assets to an entity at least fifty percent (50%) of the combined voting power of the voting securities of which are owned by shareholders of the Corporation in substantially the same proportions as their ownership of the Corporation immediately prior to such sale;

(3) there is consummated a merger or consolidation of the Corporation or any direct or indirect subsidiary of the Corporation (including Greenlane Holdings, LLC) with any other corporation or other entity, and, immediately after the consummation of such merger or consolidation, either (x) the board of directors of the Corporation immediately prior to the merger or consolidation does not constitute at least a majority of the board of directors of the company surviving the merger or, if the surviving company is a subsidiary, the ultimate parent thereof, or (y) all of the Persons who were the respective Beneficial Owners of the voting securities of the Corporation immediately prior to such merger or consolidation do not Beneficially Own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the Person resulting from such merger or consolidation;

(4) the following individuals cease for any reason to constitute a majority of the number of directors of the Corporation then serving: individuals who were directors of the Corporation on the date of the consummation of the IPO and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the board of directors of the Corporation or nomination for election by the Corporation's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors of the Corporation on the date of the consummation of the IPO or whose appointment, election or nomination for election was previously so approved or recommended by the directors referred to in this clause 4; or

(5) a "change of control" or similar defined term in any agreement governing indebtedness of Greenlane Holdings, LLC or any of its Subsidiaries with aggregate principal amount or aggregate commitments outstanding in excess of $25,000,000.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Class A Common Stock, Class B Common Stock and Class C Common Stock of the Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of the Corporation immediately following such transaction or series of transactions.

"Class A Common Stock" is defined in the recitals to this Agreement.

"Class B Common Stock" means the Corporation's Class B common stock, par value $0.0001 per share.

"Class C Common Stock" means the Corporation's Class C common stock, par value $0.0001 per share.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Corporation" is defined in the recitals to this Agreement.

"Corporation Letter" means a letter prepared by the Corporation in connection with the performance of its obligations under this Agreement, which states that the relevant Schedules, notices or other information to be provided by the Corporation to the Members, along with all supporting schedules and work papers, were prepared in a manner that is consistent with the terms of this Agreement and, to the extent not expressly provided in this Agreement, on a reasonable basis in light of the facts and law in existence on the date such Schedules, notices or other information were delivered by the Corporation to the Members.

"Covered Taxes" means any and all U.S. federal, state, local and foreign taxes, assessments or similar charges that are based on or measured with respect to net income or profits, whether as an exclusive or an alternative basis (including for the avoidance of doubt, franchise taxes), and any interest imposed in respect thereof under applicable law.

"Cumulative Net Realized Tax Benefit" is defined in Section 3.1(b)(iii) of this Agreement.

"Default Rate" means LIBOR plus 500 basis points.

"Default Rate Interest" is defined in Section 3.1(b)(ix) of this Agreement.

"Determination" shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of U.S. state, local or foreign tax law, as applicable, or any other event (including the execution of IRS Form 870-AD) that finally and conclusively establishes the amount of any liability for tax.

"Direct Exchange" is defined in the recitals to this Agreement.

"Dispute" is defined in Section 7.8(a) of this Agreement.

"Early Termination Effective Date" means the date of an Early Termination Notice for purposes of determining the Early Termination Payment.

"Early Termination Notice" is defined in Section 4.2 of this Agreement.

"Early Termination Payment" is defined in Section 4.3(b) of this Agreement.

"Early Termination Rate" means the Agreed Rate.

"Early Termination Reference Date" is defined in Section 4.2 of this Agreement.

"Early Termination Schedule" is defined in Section 4.2 of this Agreement.

"Exchange" means any (i) Direct Exchange, (ii) Redemption or (iii) any transaction using proceeds of the IPO or any distribution by Greenlane Holdings, LLC that in either case results in an adjustment under Section 743(b) of the Code with respect to the Greenlane Holdings, LLC Group.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, or any successor provisions thereto.

"Exchange Date" means the date of any Exchange.

"Expert" is defined in Section 7.9 of this Agreement.

"Extension Rate Interest" is defined in Section 3.1(b)(viii) of this Agreement.

"Final Payment Date" means any date on which a payment is required to be made pursuant to this Agreement. For the avoidance of doubt, the Final Payment Date in respect of a Tax Benefit Payment is determined pursuant to Section 3.1(a) of this Agreement.

"Greenlane Holdings, LLC" is defined in the recitals to this Agreement.

"Greenlane Holdings, LLC Group" is defined in the recitals to this Agreement.

"Hypothetical Tax Liability" means, with respect to any Taxable Year, the hypothetical liability of the Corporation that would arise in respect of Covered Taxes, using the same methods, elections, conventions and similar practices used on the actual relevant Tax Returns of the Corporation but (i) calculating depreciation, amortization, or other similar deductions, or otherwise calculating any items of income, gain, or loss, using the Corporation's share of the Non-Adjusted Tax Basis as reflected on the Basis Schedule, including amendments thereto for such Taxable Year and (ii) excluding any deduction attributable to Imputed Interest for such Taxable Year. For the avoidance of doubt, the Hypothetical Tax Liability shall be determined without taking into account the carryover or carryback of any tax item (or portions thereof) that is attributable to any of the items described in clauses (i) and (ii) of the previous sentence.

"Imputed Interest" is defined in Section 3.1(b)(vi) of this Agreement.

"Independent Directors" means the members of the Board who are "independent" under the standards set forth in Rule 10A-3 promulgated under the U.S. Securities Exchange Act of 1933, as amended, and the corresponding rules of the applicable exchange on which the Class A Common Stock is traded or quoted.

"IPO" is defined in the recitals to this Agreement.

"IPO Closing Date" is defined in the recitals to this Agreement.

"IPO Common Unit Redemption Agreement" means that certain Common Unit Redemption Agreement, dated as of the date hereof, by and among the Corporation and the Members that are parties thereto.

"IRS" means the U.S. Internal Revenue Service.

"Joinder" means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

"Joinder Requirement" is defined in Section 7.6(a) of this Agreement.

"LIBOR" means during any period, a rate per annum equal to the ICE LIBOR rate for a period of one month ("ICE LIBOR"), as published on the applicable Bloomberg screen page (or such other commercially available source providing quotations of ICE LIBOR as may be designated by the Corporation from time to time) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such period, for dollar deposits (for delivery on the first day of such period) with a term equivalent to such period.

"Market Value" shall mean the Common Unit Redemption Price, as defined in the Operating Agreement.

"Member Advisory Firm" means an accounting firm that is nationally recognized as being expert in Covered Tax matters, selected by the applicable Member; provided that such accounting firm shall be different from the accounting firm serving as the Advisory Firm.

"Members" is defined in the recitals to this Agreement.

"Net Tax Benefit" is defined in Section 3.1(b)(ii) of this Agreement.

"Non-Adjusted Tax Basis" means, with respect to any Reference Asset at any time, the tax basis that such asset would have had at such time if no Basis Adjustments had been made.

"Objection Notice" is defined in Section 2.4(a)(i) of this Agreement.

"Operating Agreement" means that certain Third Amended and Restated Operating Agreement of Greenlane Holdings, LLC, dated as of the date hereof, as such agreement may be further amended, restated, supplemented and/or otherwise modified from time to time.

"Parties" means the parties named on the signature pages to this agreement and each additional party that satisfies the Joinder Requirement, in each case with their respective successors and assigns.

"Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

"Pre-Exchange Transfer" means any transfer of one or more Units (including upon the death of a Member or upon the issuance of Units resulting from the exercise of an option to acquire such Units) (i) that occurs after the IPO but prior to an Exchange of such Units and (ii) to which Section 743(b) of the Code applies.

"Realized Tax Benefit" is defined in Section 3.1(b)(iv) of this Agreement.

"Realized Tax Detriment" is defined in Section 3.1(b)(v) of this Agreement.

"Reconciliation Dispute" is defined in Section 7.9 of this Agreement.

"Reconciliation Procedures" is defined in Section 2.4(a) of this Agreement.

"Redemption" has the meaning in the recitals to this Agreement.

"Reference Asset" means any asset of Greenlane Holdings, LLC or any of its successors or assigns, and whether held directly by Greenlane Holdings, LLC or indirectly by Greenlane Holdings, LLC through a member of the Greenlane Holdings, LLC Group, at the time of an Exchange. A Reference Asset also includes any asset the tax basis of which is determined, in whole or in part, by reference to the tax basis of an asset that is described in the preceding sentence, including "substituted basis property" within the meaning of Section 7701(a)(42) of the Code.

"Schedule" means any of the following: (i) a Basis Schedule, (ii) a Tax Benefit Schedule, or (iii) the Early Termination Schedule, and, in each case, any amendments thereto.

"Senior Obligations" is defined in Section 5.1 of this Agreement.

"Subsidiary" means, with respect to any Person and as of any determination date, any other Person as to which such first Person (i) owns, directly or indirectly, or otherwise controls, more than 50% of the voting power or other similar interests of such other Person or (ii) is the sole general partner interest, or managing member or similar interest, of such Person.

"Subsidiary Stock" means any stock or other equity interest in any subsidiary entity of the Corporation that is treated as a corporation for U.S. federal income tax purposes.

"Supermajority Member Approval" means written approval by Members whose rights under this Agreement are attributable to at least seventy percent (70%) of the Units outstanding (and not held by the Corporation) immediately after the IPO (as appropriately adjusted for any subsequent changes to the number of outstanding Units). For purposes of this definition, a Member's rights under this Agreement shall be attributed to Units as of the time of a determination of Supermajority Member Approval. For the avoidance of doubt, (i) an Exchanged Unit shall be attributed only to the Member entitled to receive Tax Benefit Payments with respect to such Exchanged Unit (i.e., the Exchangor or the assignee of its rights hereunder) and (ii) an outstanding Unit that has not yet been Exchanged shall be attributed only to the Member entitled to receive Tax Benefit Payments upon the Exchange of such Unit (i.e., the member of Greenlane Holdings, LLC or the assignee of its rights hereunder).

"Tax Benefit Payment" is defined in Section 3.1(b) of this Agreement.

"Tax Benefit Schedule" is defined in Section 2.3(a) of this Agreement.

"Tax Return" means any return, declaration, report or similar statement required to be filed with respect to taxes (including any attached schedules), including, without limitation, any information return, claim for refund, amended return and declaration of estimated tax.

"Taxable Year" means a taxable year of the Corporation as defined in Section 441(b) of the Code or comparable section of U.S. state or local tax law, as applicable (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made), ending on or after the closing date of the IPO.

"Taxing Authority" shall mean any national, federal, state, county, municipal, or local government, or any subdivision, agency, commission or authority thereof, or any quasi-governmental body, or any other authority of any kind, exercising regulatory or other authority in relation to tax matters.

"Termination Objection Notice" is defined in Section 4.2 of this Agreement.

"Treasury Regulations" means the final, temporary, and (to the extent they can be relied upon) proposed regulations under the Code, as promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

"U.S." means the United States of America.

"Units" is defined in the recitals to this Agreement.

"Valuation Assumptions" shall mean, as of an Early Termination Effective Date, the assumptions that:

(1) in each Taxable Year ending on or after such Early Termination Effective Date, the Corporation will have taxable income sufficient to fully use the deductions arising from the Basis Adjustments and the Imputed Interest during such Taxable Year or future Taxable Years (including, for the avoidance of doubt, Basis Adjustments and Imputed Interest that would result from future Tax Benefit Payments that would be paid in accordance with the Valuation Assumptions) in which such deductions would become available;

(2) the U.S. federal, state and local income tax rates that will be in effect for each such Taxable Year will be those specified for each such Taxable Year by the Code and other law as in effect on the Early Termination Effective Date, except to the extent any change to such tax rates for such Taxable Year have already been enacted into law;

(3) all taxable income of the Corporation will be subject to the maximum applicable tax rates for each Covered Tax throughout the relevant period;

(4) any loss carryovers or carrybacks generated by any Basis Adjustment or Imputed Interest (including such Basis Adjustment and Imputed Interest generated as a result of payments under this Agreement) and available as of the date of the Early Termination Schedule will be used by the Corporation ratably in each Taxable Year from the date of the Early Termination Schedule through the scheduled expiration date of such loss carryovers or carrybacks; by way of example, if on the date of the Early Termination Schedule the Corporation had $100 of net operating losses with a carryforward period of ten (10) years, $10 of such net operating losses would be used in each of the ten (10) consecutive Taxable Years beginning in the Taxable Year of such Early Termination Schedule;

(5) any non-amortizable assets (other than Subsidiary Stock) will be disposed of on the fifteenth anniversary of the earlier of (i) the applicable Basis Adjustment and (ii) the Early Termination Effective Date;

(6) any Subsidiary Stock will be deemed never to be disposed of except if Subsidiary Stock is directly disposed of in the Change of Control;

(7) if, on the Early Termination Effective Date, any Member has Units that have not been Exchanged, then such Units shall be deemed to be Exchanged for the Market Value of the shares of Class A Common Stock that would be received by such Member if such Units had been Exchanged on the Early Termination Effective Date, and such Member shall be deemed to receive the amount of cash such Member would have been entitled to pursuant to Section 4.3(a) had such Units actually been Exchanged on the Early Termination Effective Date and

(8) any payment obligations pursuant to this Agreement will be satisfied on the date that any Tax Return to which such payment obligation relates is required to be filed excluding any extensions.

Section 1.2 Rules of Construction. Unless otherwise specified herein:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) For purposes of interpretation of this Agreement:

(i) The words “herein,” “hereto,” “hereof” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision thereof.

(ii) References in this Agreement to a Schedule, Article, Section, clause or sub-clause refer to the appropriate Schedule to, or Article, Section, clause or subclause in, this Agreement.

(iii) References in this Agreement to dollars or “$” refer to the lawful currency of the United States of America.

(iv) The term “including” is by way of example and not limitation.

(v) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(c) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(d) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) Unless otherwise expressly provided herein, (a) references to organization documents (including the Operating Agreement), agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted hereby; and (b) references to any law (including the Code and the Treasury Regulations) shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

ARTICLE II
DETERMINATION OF REALIZED TAX BENEFIT

Section 2.1 Basis Adjustments; Greenlane Holdings, LLC 754 Election.

(a) Basis Adjustments. The Parties acknowledge and agree that (A) each Redemption, including each Redemption pursuant to the IPO Common Unit Redemption Agreement, shall be treated as a direct purchase of Units by the Corporation from the applicable Member pursuant to Section 707(a)(2)(B) of the Code and (B) each Exchange will give rise to Basis Adjustments. In connection with any Exchange, the Parties acknowledge and agree that, pursuant to applicable law, the Corporation's share of the basis in the Reference Assets shall be increased (or decreased) by the excess (or deficiency), if any, of (A) the sum of (x) the Market Value of Class A Common Stock or the cash transferred to a Member pursuant to an Exchange as payment for the Units, (y) the amount of payments made pursuant to this Agreement with respect to such Exchange and (z) the amount of liabilities allocated to the Units acquired pursuant to the Exchange, over (B) the Corporation's proportionate share of the basis of the Reference Assets immediately after the Exchange attributable to the Units exchanged, determined as if each relevant member of the Greenlane Holdings, LLC Group (including, for the avoidance of doubt, Greenlane Holdings, LLC) remains in existence as an entity for tax purposes and no member of the Greenlane Holdings, LLC Group (including, for the avoidance of doubt, Greenlane Holdings, LLC) made the election provided by Section 754 of the Code. For the avoidance of doubt, payments made under this Agreement shall not be treated as resulting in a Basis Adjustment to the extent such payments are treated as Imputed Interest or Default Rate Interest. Further, the Parties intend that Basis Adjustments be calculated in accordance with Treasury Regulations Section 1.743-1.

(b) Greenlane Holdings, LLC Section 754 Election. In its capacity as the sole managing member of Greenlane Holdings, LLC, the Corporation will ensure that, on and after the date hereof and continuing throughout the term of this Agreement, Greenlane Holdings, LLC will have in effect an election under Section 754 of the Code (and under any similar provisions of applicable U.S. state or local law) for each Taxable Year.

Section 2.2 Basis Schedules. Within one hundred fifty (150) calendar days after the filing of the U.S. federal income Tax Return of the Corporation for each relevant Taxable Year, the Corporation shall deliver to the Members a schedule (the "Basis Schedule") that shows, in reasonable detail as necessary in order to understand the calculations performed under this Agreement: (a) the Non-Adjusted Tax Basis of the Reference Assets as of each applicable Exchange Date; (b) the Basis Adjustments with respect to the Reference Assets as a result of the relevant Exchanges effected in such Taxable Year, calculated (I) in the aggregate (including, for the avoidance of doubt, Exchanges by all Members) and (II) solely with respect to Exchanges by the applicable Member; (c) the period (or periods) over which the Reference Assets are amortizable and/or depreciable; and (d) the period (or periods) over which each Basis Adjustment is amortizable and/or depreciable. The Basis Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a) and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(b).

Section 2.3 Tax Benefit Schedules.

(a) Tax Benefit Schedule. Within one hundred fifty (150) calendar days after the filing of the U.S. federal income Tax Return of the Corporation for any Taxable Year in which there is a Realized Tax Benefit or Realized Tax Detriment, the Corporation shall provide to the Members a schedule showing, in reasonable detail, the calculation of the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year (a "Tax Benefit Schedule"). The Tax Benefit Schedule will become final and binding on the Parties pursuant to the procedures set forth in Section 2.4(a), and may be amended by the Parties pursuant to the procedures set forth in Section 2.4(b).

(b) Applicable Principles. Subject to the provisions of this Agreement, the Realized Tax Benefit or Realized Tax Detriment for each Taxable Year is intended to measure the decrease or increase in the Actual Tax Liability of the Corporation for such Taxable Year attributable to the Basis Adjustments and Imputed Interest, as determined using a "with and without" methodology described in Section 2.4(a). Carryovers or carrybacks of any tax item attributable to any Basis Adjustment or Imputed Interest shall be considered to be subject to the rules of the Code and the Treasury Regulations or the appropriate provisions of U.S. state and local tax law, as applicable, governing the use, limitation and expiration of carryovers or carrybacks of the relevant type. If a carryover or carryback of any tax item includes a portion that is attributable to a Basis Adjustment or Imputed Interest (a "TRA Portion") and another portion that is not (a "Non-TRA Portion"), such portions shall be considered to be used in accordance with the "with and without" methodology so that: (i) the amount of any Non-TRA Portion is deemed utilized first, followed by the amount of any TRA Portion (with the TRA Portion being applied on a proportionate basis consistent with the provisions of Section 3.3(a)); and (ii) in the case of a carryback of a Non-TRA Portion, such carryback shall not affect the original "with and without" calculation made in the prior Taxable Year. The Parties agree that, subject to the second to last sentence of Section 2.1(a), all Tax Benefit Payments attributable to an Exchange will be treated as subsequent upward purchase price adjustments that give rise to further Basis Adjustments for the Corporation beginning in the Taxable Year of payment, and as a result, such additional Basis Adjustments will be incorporated into such Taxable Year continuing for future Taxable Years until any incremental Basis Adjustment benefits with respect to a Tax Benefit Payment equals an immaterial amount.

Section 2.4 Procedures; Amendments.

(a) Procedures. Each time the Corporation delivers an applicable Schedule to the Members under this Agreement, including any Amended Schedule delivered pursuant to Section 2.4(b), but excluding any Early Termination Schedule or amended Early Termination Schedule delivered pursuant to the procedures set forth in Section 4.2, the Corporation shall also: (x) deliver supporting schedules and work papers, as determined by the Corporation or as reasonably requested by any Member, that provide a reasonable level of detail regarding the data and calculations that were relevant for purposes of preparing the Schedule; (y) deliver a Corporation Letter supporting such Schedule; and (z) allow the Members and their advisors to have reasonable access to the appropriate representatives, as determined by the Corporation or as reasonably requested by the Members, at the Corporation and the Advisory Firm in connection with a review of such Schedule. Without limiting the generality of the preceding sentence, the Corporation shall ensure that any Tax Benefit Schedule that is delivered to the Members, along with any supporting schedules and work papers, provides a reasonably detailed presentation of the calculation of the Actual Tax Liability of the Corporation for the relevant Taxable Year (the "with" calculation) and the Hypothetical Tax Liability of the Corporation for such Taxable Year (the "without" calculation), and identifies any material assumptions or operating procedures or principles that were used for purposes of such calculations. An applicable Schedule or amendment thereto shall become final and binding on the Parties thirty (30) calendar days from the date on which the Members first received the applicable Schedule or amendment thereto unless:

(i) a Member within thirty (30) calendar days after receiving the applicable Schedule or amendment thereto, provides the Corporation with (A) written notice of a material objection to such Schedule that is made in good faith and that sets forth in reasonable detail such Member's material objection (an "Objection Notice") and (B) a letter from a Member Advisory Firm in support of such Objection Notice; or

(ii) each Member provides a written waiver of its right to deliver an Objection Notice within the time period described in clause (i) above, in which case such Schedule or amendment thereto becomes binding on the date the waiver from all Members is received by the Corporation.

In the event that a Member timely delivers an Objection Notice pursuant to clause (i) above, and if the Parties, for any reason, are unable to successfully resolve the issues raised in the Objection Notice within thirty (30) calendar days after receipt by the Corporation of the Objection Notice, the Corporation and the Member shall employ the reconciliation procedures as described in Section 7.9 of this Agreement (the "Reconciliation Procedures"). For the avoidance of doubt, and notwithstanding anything to the contrary herein, the expense of preparing and obtaining the letter from a Member Advisory Firm referenced in clause (i) above shall be borne solely by the relevant Member and the Corporation shall have no liability with respect to such letter or any of the expenses associated with its preparation and delivery.

(b) Amended Schedule. The applicable Schedule for any Taxable Year may be amended from time to time by the Corporation: (i) in connection with a Determination affecting such Schedule; (ii) to correct inaccuracies in the Schedule identified as a result of the receipt of additional factual information relating to a Taxable Year after the date the Schedule was originally provided to the Member; (iii) to comply with an Expert's determination under the Reconciliation Procedures applicable to this Agreement; (iv) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to a carryback or carryforward of a loss or other Tax item to such Taxable Year; (v) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year; or (vi) to adjust a Basis Schedule to take into account any Tax Benefit Payments made pursuant to this Agreement (any such Schedule, an "Amended Schedule").

ARTICLE III
TAX BENEFIT PAYMENTS

Section 3.1 Timing and Amount of Tax Benefit Payments.

(a) Timing of Payments. Subject to Sections 3.2 and 3.3, within three (3) Business Days following the date on which each Tax Benefit Schedule that is required to be delivered by the Corporation to the Members pursuant to Section 2.3(a) of this Agreement becomes final in accordance with Section 2.4(a) of this Agreement (such date, the "Final Payment Date" in respect of any Tax Benefit Payment), the Corporation shall pay to each relevant Member the Tax Benefit Payment as determined pursuant to Section 3.1(b). Each such Tax Benefit Payment shall be made by wire transfer of immediately available funds to the bank account previously designated by such Members or as otherwise agreed by the Corporation and such Members. For the avoidance of doubt, the Members shall not be required under any circumstances to return any portion of any Tax Benefit Payment previously paid by the Corporation to the Members (including any portion of any Early Termination Payment).

(b) Amount of Payments. For purposes of this Agreement, a "Tax Benefit Payment" with respect to any Member means an amount, not less than zero, equal to the sum of: (i) the Net Tax Benefit that is Attributable to such Member and (ii) the Actual Interest Amount.

(i) Attributable. A Net Tax Benefit is "Attributable" to a Member to the extent that it is derived from any Basis Adjustment or Imputed Interest that is attributable to an Exchange undertaken by or with respect to such Member.

(ii) Net Tax Benefit. The "Net Tax Benefit" for a Taxable Year equals the amount of the excess, if any, of (x) 85% of the Cumulative Net Realized Tax Benefit Attributable to such Member as of the end of such Taxable Year over (y) the aggregate amount of all Tax Benefit Payments previously made to such Member under this Section 3.1. For the avoidance of doubt, if the Cumulative Net Realized Tax Benefit as of the end of any Taxable Year is less than the aggregate amount of all Tax Benefit Payments previously made to a Member, such Member shall not be required to return any portion of any Tax Benefit Payment previously made by the Corporation to such Member.

(iii) Cumulative Net Realized Tax Benefit. The "Cumulative Net Realized Tax Benefit" for a Taxable Year equals the cumulative amount of Realized Tax Benefits for all Taxable Years of the Corporation, up to and including such Taxable Year, net of the cumulative amount of Realized Tax Detriments for the same period. The Realized Tax Benefit and Realized Tax Detriment for each Taxable Year shall be determined based on the most recent Tax Benefit Schedule or Amended Schedule, if any, in existence at the time of such determination.

(iv) Realized Tax Benefit. The "Realized Tax Benefit" for a Taxable Year equals the excess, if any, of the Hypothetical Tax Liability over the Actual Tax Liability for such Taxable Year. If all or a portion of the Actual Tax Liability for such Taxable Year arises as a result of an audit or similar proceeding by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Benefit unless and until there has been a Determination.

(v) Realized Tax Detriment. The "Realized Tax Detriment" for a Taxable Year equals the excess, if any, of the Actual Tax Liability over the Hypothetical Tax Liability for such Taxable Year. If all or a portion of the Actual Tax Liability for such Taxable Year arises as a result of an audit or similar proceeding by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Detriment unless and until there has been a Determination.

(vi) Imputed Interest. The principles of Sections 1272, 1274, or 483 of the Code, as applicable, and the principles of any similar provision of U.S. state and local law, will apply to cause a portion of any Net Tax Benefit payable by the Corporation to a Member under this Agreement to be treated as imputed interest ("Imputed Interest"). For the avoidance of doubt, the deduction for the amount of Imputed Interest as determined with respect to any Net Tax Benefit payable by the Corporation to a Member shall be excluded in determining the Hypothetical Tax Liability of the Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(vii) Actual Interest Amount. The "Actual Interest Amount" calculated in respect of the Net Tax Benefit for a Taxable Year will equal the amount of any Extension Rate Interest.

(viii) Extension Rate Interest. The amount of "Extension Rate Interest" calculated in respect of the Net Tax Benefit (including previously accrued Imputed Interest) for a Taxable Year will equal interest calculated at the Agreed Rate from the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year until the date on which the Corporation makes a timely Tax Benefit Payment to the Member on or before the Final Payment Date as determined pursuant to Section 3.1(a).

(ix) Default Rate Interest. In the event that the Corporation does not make timely payment of all or any portion of a Tax Benefit Payment to a Member on or before the Final Payment Date as determined pursuant to Section 3.1(a), the amount of "Default Rate Interest" calculated in respect of the Net Tax Benefit (including previously accrued Imputed Interest and Extension Rate Interest) for a Taxable Year will equal interest calculated at the Default Rate from the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a) until the date on which the Corporation makes such Tax Benefit Payment to such Member. For the avoidance of doubt, any deduction for any Default Rate Interest as determined with respect to any Net Tax Benefit payable by the Corporation to a Member shall be included in the Hypothetical Tax Liability of the Corporation for purposes of calculating Realized Tax Benefits and Realized Tax Detriments pursuant to this Agreement.

(x) The Corporation and the Members hereby acknowledge and agree that, as of the date of this Agreement and as of the date of any future Exchange that may be subject to this Agreement, the aggregate value of the Tax Benefit Payments cannot be reasonably ascertained for U.S. federal income or other applicable tax purposes.

(c) Interest. The provisions of Section 3.1(b) are intended to operate so that interest will effectively accrue in respect of the Net Tax Benefit for any Taxable Year as follows:

(i) first, at the applicable rate used to determine the amount of Imputed Interest under the Code (from the relevant Exchange Date until the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year);

(ii) second, at the Agreed Rate in respect of any Extension Rate Interest (from the due date (without extensions) for filing the U.S. federal income Tax Return of the Corporation for such Taxable Year until the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a)); and

(iii) third, at the Default Rate in respect of any Default Rate Interest (from the Final Payment Date for a Tax Benefit Payment as determined pursuant to Section 3.1(a) until the date on which the Corporation makes the relevant Tax Benefit Payment to a Member).

Section 3.2 No Duplicative Payments. It is intended that the provisions of this Agreement will not result in the duplicative payment of any amount (including interest) that may be required under this Agreement, and the provisions of this Agreement shall be consistently interpreted and applied in accordance with that intent. For purposes of this Agreement, and also for the avoidance of doubt, no Tax Benefit Payment shall be calculated or made in respect of any estimated tax payments, including, without limitation, any estimated U.S. federal income tax payments.

Section 3.3 Pro-Ration of Payments as Between the Members.

(a) Insufficient Taxable Income. Notwithstanding anything in Section 3.1(b) to the contrary, if the aggregate potential Covered Tax benefit of the Corporation as calculated with respect to the Basis Adjustments and Imputed Interest (in each case, without regard to the Taxable Year of origination) is limited in a particular Taxable Year because the Corporation does not have sufficient actual taxable income, then the available Covered Tax benefit for the Corporation shall be allocated among the Members in proportion to the respective Tax Benefit Payment that would have been payable if the Corporation had in fact had sufficient taxable income so that there had been no such limitation. As an illustration of the intended operation of this Section 3.3(a), if the Corporation had $200 of aggregate potential Covered Tax benefits with respect to the Basis Adjustments and Imputed Interest in a particular Taxable Year (with $50 of such Covered Tax benefits being attributable to Member 1 and $150 of such Covered Tax benefits being attributable to Member 2), such that Member 1 would have potentially been entitled to a Tax Benefit Payment of $42.50 and Member 2 would have been entitled to a Tax Benefit Payment of $127.50 if the Corporation had $200 of taxable income, and if at the same time the Corporation only had $100 of actual taxable income in such Taxable Year, then $25 of the aggregate $100 actual Covered Tax benefit for the Corporation for such Taxable Year would be allocated to Member 1 and $75 of the aggregate $100 actual Covered Tax benefit for the Corporation would be allocated to Member 2, such that Member 1 would receive a Tax Benefit Payment of $21.25 and Member 2 would receive a Tax Benefit Payment of $63.75.

(b) Late Payments. If for any reason the Corporation is not able to timely and fully satisfy its payment obligations under this Agreement in respect of a particular Taxable Year, then Default Rate Interest will begin to accrue pursuant to Section 5.2 and the Corporation and other Parties agree that (i) the Corporation shall pay the Tax Benefit Payments due in respect of such Taxable Year to each Member pro rata in accordance with the principles of Section 3.3(a) and (ii) no Tax Benefit Payment shall be made in respect of any Taxable Year until all Tax Benefit Payments to all Members in respect of all prior Taxable Years have been made in full.

ARTICLE IV
TERMINATION

Section 4.1 Early Termination of Agreement; Breach of Agreement.

(a) Corporation's Early Termination Right. With the written approval of a majority of the Independent Directors, the Corporation may completely terminate this Agreement, as and to the extent provided herein, with respect to all amounts payable to the Members pursuant to this Agreement by paying to the Members the Early Termination Payment; provided that Early Termination Payments may be made pursuant to this Section 4.1(a) only if made to all Members that are entitled to such a payment simultaneously, and provided further, that the Corporation may withdraw any notice to execute its termination rights under this Section 4.1(a) prior to the time at which any Early Termination Payment has been paid. Upon the Corporation' payment of the Early Termination Payment, the Corporation shall not have any further payment obligations under this Agreement, other than with respect to any: (i) prior Tax Benefit Payments that are due and payable under this Agreement but that still remain unpaid as of the date of the Early Termination Notice; and (ii) current Tax Benefit Payment due for the Taxable Year ending on or including the date of the Early Termination Notice (except to the extent that the amount described in clause (ii) is included in the calculation of the Early Termination Payment). If an Exchange subsequently occurs with respect to Units for which the Corporation has exercised its termination rights under this Section 4.1(a), the Corporation shall have no obligations under this Agreement with respect to such Exchange.

(b) Acceleration upon Change of Control. In the event of a Change of Control, all obligations hereunder shall be accelerated and such obligations shall be calculated pursuant to this Article IV as if an Early Termination Notice had been delivered on the closing date of the Change of Control and utilizing the Valuation Assumptions by substituting the phrase "the closing date of a Change of Control" in each place where the phrase "Early Termination Effective Date" appears. Such obligations shall include, but not be limited to, (1) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the closing date of the Change of Control, (2) any Tax Benefit Payments agreed to by the Corporation and the Members as due and payable but unpaid as of the Early Termination Notice and (3) any Tax Benefit Payments due for any Taxable Year ending prior to, with or including the closing date of a Change of Control (except to the extent that any amounts described in clauses (2) or (3) are included in the Early Termination Payment). For the avoidance of doubt, Sections 4.2 and 4.3 shall apply to a Change of Control, mutadis mutandi.

(c) Acceleration upon Breach of Agreement. In the event that the Corporation materially breaches any of its material obligations under this Agreement, whether as a result of failure to make any payment when due, failure to honor any other material obligation required hereunder, or by operation of law as a result of the rejection of this Agreement in a case commenced under the Bankruptcy Code or otherwise, then all obligations hereunder shall be accelerated and become immediately due and payable upon notice of acceleration from such Member (provided that in the case of any proceeding under the Bankruptcy Code or other insolvency statute, such acceleration shall be automatic without any such notice), and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of such notice of acceleration (or, in the case of any proceeding under the Bankruptcy Code or other insolvency statute, on the date of such breach) and shall include, but not be limited to: (i) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the date of such acceleration; (ii) any prior Tax Benefit Payments that are due and payable under this Agreement but that still remain unpaid as of the date of such acceleration; and (iii) any current Tax Benefit Payment due for the Taxable Year ending with or including the date of such acceleration. Notwithstanding the foregoing, in the event that the Corporation breaches this Agreement and such breach is not a material breach of a material obligation, a Member shall still be entitled to enforce all of its rights otherwise available under this Agreement, including potentially seeking an acceleration of amounts payable under this Agreement. For purposes of this Section 4.1(c), and subject to the following sentence, the Parties agree that the failure to make any payment due pursuant to this Agreement within thirty (30) days of the relevant Final Payment Date shall be deemed to be a material breach of a material obligation under this Agreement for all purposes of this Agreement, and that it will not be considered to be a material breach of a material obligation under this Agreement to make a payment due pursuant to this Agreement within thirty (30) days of the relevant Final Payment Date. Notwithstanding anything in this Agreement to the contrary, it shall not be a material breach of a material obligation of this Agreement if the Corporation fails to make any Tax Benefit Payment within thirty (30) days of the relevant Final Payment Date to the extent that the Corporation has insufficient funds, or cannot take commercially reasonable actions to obtain sufficient funds, to make such payment; provided that the interest provisions of Section 5.2 shall apply to such late payment (unless the Corporation does not have sufficient funds to make such payment as a result of limitations imposed by any Senior Obligations, in which case Section 5.2 shall apply, but the Default Rate shall be replaced by the Agreed Rate).

Section 4.2 Early Termination Notice. If the Corporation chooses to exercise its right of early termination under Section 4.1 above, the Corporation shall deliver to the Members a notice of the Corporation's decision to exercise such right (an "Early Termination Notice") and a schedule (the "Early Termination Schedule") showing in reasonable detail the calculation of the Early Termination Payment. The Corporation shall also (x) deliver supporting schedules and work papers, as determined by the Corporation or as reasonably requested by a Member, that provide a reasonable level of detail regarding the data and calculations that were relevant for purposes of preparing the Early Termination Schedule; (y) deliver a Corporation Letter supporting such Early Termination Schedule; and (z) allow the Members and their advisors to have reasonable access to the appropriate representatives, as determined by the Corporation or as reasonably requested by the Members, at the Corporation and the Advisory Firm in connection with a review of such Early Termination Schedule. The Early Termination Schedule shall become final and binding on each Party thirty (30) calendar days from the first date on which the Members received such Early Termination Schedule unless:

(i) a Member within thirty (30) calendar days after receiving the Early Termination Schedule, provides the Corporation with (A) notice of a material objection to such Early Termination Schedule made in good faith and setting forth in reasonable detail such Member's material objection (a "Termination Objection Notice") and (B) a letter from a Member Advisory Firm in support of such Termination Objection Notice; or

(ii) each Member provides a written waiver of such right of a Termination Objection Notice within the period described in clause (i) above, in which case such Early Termination Schedule becomes binding on the date the waiver from all Members is received by the Corporation.

In the event that a Member timely delivers a Termination Objection Notice pursuant to clause (i) above, and if the Parties, for any reason, are unable to successfully resolve the issues raised in the Termination Objection Notice within thirty (30) calendar days after receipt by the Corporation of the Termination Objection Notice, the Corporation and such Member shall employ the Reconciliation Procedures. For the avoidance of doubt, and notwithstanding anything to the contrary herein, the expense of preparing and obtaining the letter from a Member Advisory Firm referenced in clause (i) above shall be borne solely by such Member and the Corporation shall have no liability with respect to such letter or any of the expenses associated with its preparation and delivery. The date on which the Early Termination Schedule becomes final in accordance with this Section 4.2 shall be the "Early Termination Reference Date."

Section 4.3 Payment upon Early Termination.

(a) Timing of Payment. Within three (3) Business Days after the Early Termination Reference Date, the Corporation shall pay to each Member an amount equal to the Early Termination Payment for such Member. Such Early Termination Payment shall be made by the Corporation by wire transfer of immediately available funds to a bank account or accounts designated by the Members or as otherwise agreed by the Corporation and the Members.

(b) Amount of Payment. The "Early Termination Payment" payable to a Member pursuant to Section 4.3(a) shall equal the present value, discounted at the Early Termination Rate as determined as of the Early Termination Reference Date, of all Tax Benefit Payments that would be required to be paid by the Corporation to such Member, whether payable with respect to Units that were Exchanged prior to the Early Termination Effective Date or on or after the Early Termination Effective Date, beginning from the Early Termination Effective Date and using the Valuation Assumptions. For the avoidance of doubt, an Early Termination Payment shall be made to each Member, regardless of whether such Member has Exchanged all of its Units as of the Early Termination Effective Date.

ARTICLE V
SUBORDINATION AND LATE PAYMENTS

Section 5.1 Subordination. Notwithstanding any other provision of this Agreement to the contrary, any Tax Benefit Payment or Early Termination Payment required to be made by the Corporation to the Members under this Agreement shall rank subordinate and junior in right of payment to any principal, interest, or other amounts due and payable in respect of any obligations owed in respect of secured indebtedness for borrowed money of the Corporation and its Subsidiaries ("Senior Obligations") and shall rank *pari passu* in right of payment with all current or future unsecured obligations of the Corporation that are not Senior Obligations. To the extent that any payment under this Agreement is not permitted to be made at the time payment is due as a result of this Section 5.1 and the terms of the agreements governing Senior Obligations, such payment obligation nevertheless shall accrue for the benefit of the Members and the Corporation shall make such payments at the first opportunity that such payments are permitted to be made in accordance with the terms of the Senior Obligations.

Section 5.2 Late Payments by the Corporation. The amount of all or any portion of any Tax Benefit Payment or Early Termination Payment not made to the Members when due under the terms of this Agreement, whether as a result of Section 5.1 and the terms of the Senior Obligations or otherwise, shall be payable together with Default Rate Interest, which shall accrue beginning on the Final Payment Date and be computed as provided in Section 3.1(b)(ix).

ARTICLE VI
TAX MATTERS; CONSISTENCY; COOPERATION

Section 6.1 Participation in the Corporation's and Greenlane Holdings, LLC's Tax Matters. Except as otherwise provided herein, and except as provided in Article IX of the Operating Agreement, the Corporation shall have full responsibility for, and sole discretion over, all tax matters concerning the Corporation and Greenlane Holdings, LLC, including without limitation the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to taxes. Notwithstanding the foregoing, the Corporation shall notify the Members of, and keep them reasonably informed with respect to, the portion of any tax audit of the Corporation or Greenlane Holdings, LLC, or any of Greenlane Holdings, LLC's Subsidiaries, the outcome of which is reasonably expected to materially affect the Tax Benefit Payments payable to such Members under this Agreement, and any Member holding directly and/or indirectly at least ten percent (10%) of the outstanding Units, provided that Greenlane Holdings, LLC has knowledge that such Member holds directly and/or indirectly at least ten percent (10%) of the outstanding Units (a "10% Member"), shall have the right to participate in and to monitor at their own expense (but, for the avoidance of doubt, not to control) any such portion of any such Tax audit; provided that the Corporation shall not settle or fail to contest any issue pertaining to Covered Taxes that is reasonably expected to materially adversely affect the Members' rights and obligations under this Agreement without the consent of each 10% Member, such consent not to be unreasonably withheld or delayed.

Section 6.2 Consistency. All calculations and determinations made hereunder, including, without limitation, any Basis Adjustments, the Schedules, and the determination of any Realized Tax Benefits or Realized Tax Detriments, shall be made in accordance with the elections, methodologies or positions taken by the Corporation and Greenlane Holdings, LLC on their respective Tax Returns. Each Member shall prepare its Tax Returns in a manner that is consistent with the terms of this Agreement, and any related calculations or determinations that are made hereunder, including, without limitation, the terms of Section 2.1 of this Agreement and the Schedules provided to the Members under this Agreement. In the event that an Advisory Firm is replaced with another Advisory Firm acceptable to the Audit Committee, such replacement Advisory Firm shall perform its services under this Agreement using procedures and methodologies consistent with the previous Advisory Firm, unless otherwise required by law or unless the Corporation and all of the Members agree to the use of other procedures and methodologies.

Section 6.3 Cooperation.

(a) Each Member shall (i) furnish to the Corporation in a timely manner such information, documents and other materials as the Corporation may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (ii) make itself available to the Corporation and its representatives to provide explanations of documents and materials and such other information as the Corporation or its representatives may reasonably request in connection with any of the matters described in clause (i) above, and (iii) reasonably cooperate in connection with any such matter.

(b) The Corporation shall reimburse the Members for any reasonable and documented out-of-pocket costs and expenses incurred pursuant to Section 6.3(a).

ARTICLE VII.
MISCELLANEOUS

Section 7.1 Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax, by electronic mail (delivery receipt requested) or by certified or registered mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be as specified in a notice given in accordance with this Section 7.1). All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to the Corporation, to:

Greenlane Holdings, Inc.
1095 Broken Sound Parkway, Suite 300
Boca Raton, Florida 33487
Attn: Ethan Rudin, Chief Financial Officer
E-mail: erudin@gnln.com

with a copy (which shall not constitute notice to the Corporation) to:

Pryor Cashman LLP
7 Times Square, 40th Floor
New York, New York 10036
Attn: Jeffrey C. Johnson, Esq.
E-mail: jjohnson@pryorcashman.com

If to a Member, the address, facsimile number and e-mail address specified on such Member's signature page to this Agreement.

Any Party may change its address, fax number or e-mail address by giving each of the other Parties written notice thereof in the manner set forth above.

Section 7.2 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.3 Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Delaware, without regard to the conflicts of laws principles thereof that would mandate the application of the laws of another jurisdiction.

Section 7.5 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 7.6 Assignments; Amendments; Successors; No Waiver.

(a) Assignment. No Member may assign, sell, pledge, or otherwise alienate or transfer any interest in this Agreement, including the right to receive any Tax Benefit Payments under this Agreement, to any Person without the prior written consent of the Corporation, which consent shall not be unreasonably withheld, conditioned or delayed, and without such Person executing and delivering a Joinder agreeing to succeed to the applicable portion of such Member's interest in this Agreement and to become a Party for all purposes of this Agreement (the "Joinder Requirement"); *provided, however*, that to the extent any Member sells, exchanges, distributes or otherwise transfers Units to any Person (other than the Corporation or Greenlane Holdings, LLC) in accordance with the terms of the Operating Agreement, the Members shall have the option to assign to the transferee of such Units its rights under this Agreement with respect to such transferred Units, *provided* that such transferee has satisfied the Joinder Requirement. For the avoidance of doubt, if a Member transfers Units in accordance with the terms of the Operating Agreement but does not assign to the transferee of such Units its rights under this Agreement with respect to such transferred Units, such Member shall continue to be entitled to receive the Tax Benefit Payments arising in respect of a subsequent Exchange of such Units. The Corporation may not assign any of its rights or obligations under this Agreement to any Person without Supermajority Member Approval (and any purported assignment without such consent shall be null and void).

(b) Amendments. No provision of this Agreement may be amended unless such amendment is approved in writing by the Corporation and made with Supermajority Member Approval; *provided* that amendment of the definition of Change of Control will also require the written approval of a majority of the Independent Directors. No provision of this Agreement may be waived unless such waiver is in writing and signed by the Party against whom the waiver is to be effective.

(c) Successors. All of the terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

(d) Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any other covenant, duty, agreement, or condition.

Section 7.7 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 7.8 Resolution of Disputes.

(a) Except for Reconciliation Disputes subject to Section 7.9, any and all disputes which cannot be settled after substantial good-faith negotiation, including any ancillary claims of any Party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) (each a "Dispute") shall be finally resolved by arbitration in accordance with the International Institute for Conflict Prevention and Resolution Rules for Non-Administered Arbitration by a panel of three arbitrators, of which the Corporation shall designate one arbitrator and the Members party to such Dispute shall designate one arbitrator in accordance with the "screened" appointment procedure provided in Resolution Rule 5.4. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.*, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of the arbitration shall be Boca Raton, Florida.

(b) Notwithstanding the provisions of paragraph (a), any Party may bring an action or special proceeding in any court of competent jurisdiction for the purpose of compelling another Party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Party (i) expressly consents to the application of paragraph (c) of this Section 7.8 to any such action or proceeding, and (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate. For the avoidance of doubt, this Section 7.8 shall not apply to Reconciliation Disputes to be settled in accordance with the procedures set forth in Section 7.9.

(c) This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of Delaware, without giving effect to the conflict of laws rules thereof. The Parties agree that any suit or proceeding in connection with, arising out of, or relating to this Agreement shall be instituted only in a court (whether federal or Delaware) located in Kent County, Delaware, and the Parties, for the purpose of any such suit or proceeding, irrevocably consent and submit to the personal and subject matter jurisdiction and venue of any such court in any such suit or proceeding. Each Party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(d) Each Party irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 7.8(c). Each Party irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

(e) Each Party irrevocably consents to service of process by means of notice in the manner provided for in Section 7.1. Nothing in this Agreement shall affect the right of any Party to serve process in any other manner permitted by law.

(f) WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

(g) Any dispute as to whether a dispute is a Reconciliation Dispute within the meaning of Section 7.9, or a Dispute within the meaning of this Section 7.8, shall be decided and resolved as a Dispute subject to the procedures set forth in this Section 7.8.

Section 7.9 Reconciliation. In the event that the Corporation and any Member are unable to resolve a disagreement with respect to a Schedule (other than an Early Termination Schedule) prepared in accordance with the procedures set forth in Section 2.4, or with respect to an Early Termination Schedule prepared in accordance with the procedures set forth in Section 4.2, within the relevant time period designated in this Agreement (a "Reconciliation Dispute"), the Reconciliation Dispute shall be submitted for determination to a nationally recognized expert (the "Expert") in the particular area of disagreement mutually acceptable to both Parties. The Expert shall be a partner or principal in a nationally recognized accounting firm, and unless the Corporation and such Member agree otherwise, the Expert shall not, and the firm that employs the Expert shall not, have any material relationship with the Corporation or such Member or other actual or potential conflict of interest. If the Parties are unable to agree on an Expert within fifteen (15) calendar days of receipt by the respondent(s) of written notice of a Reconciliation Dispute, the selection of an Expert shall be treated as a Dispute subject to Section 7.8 and an arbitration panel shall pick an Expert from a nationally recognized accounting firm that does not have any material relationship with the Corporation or such Member or other actual or potential conflict of interest. The Expert shall resolve any matter relating to the Basis Schedule or an amendment thereto, or the Early Termination Schedule or an amendment thereto within thirty (30) calendar days and shall resolve any matter relating to a Tax Benefit Schedule or an amendment thereto within fifteen (15) calendar days or as soon thereafter as is reasonably practicable, in each case after the matter has been submitted to the Expert for resolution. Notwithstanding the preceding sentence, if the matter is not resolved before any payment that is the subject of a disagreement would be due (in the absence of such disagreement) or any Tax Return reflecting the subject of a disagreement is due, the undisputed amount shall be paid on the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Corporation, subject to adjustment or amendment upon resolution. The costs and expenses relating to the engagement of such Expert or amending any Tax Return shall be borne by the Corporation except as provided in the next sentence. The Corporation and the Members shall bear their own costs and expenses of such proceeding, unless (i) the Expert adopts the Member's position, in which case the Corporation shall reimburse the Member for any reasonable and documented out-of-pocket costs and expenses in such proceeding, or (ii) the Expert adopts the Corporation's position, in which case the Member shall reimburse the Corporation for any reasonable and documented out-of-pocket costs and expenses in such proceeding. The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7.9 shall be binding on the Corporation and the Members and may be entered and enforced in any court having competent jurisdiction.

Section 7.10 Withholding. The Corporation shall be entitled to deduct and withhold from any payment that is payable to any Member pursuant to this Agreement such amounts as the Corporation is required to deduct and withhold with respect to the making of such payment under the Code or any provision of U.S. state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority by the Corporation, such withheld amounts shall be treated for all purposes of this Agreement as having been paid by the Corporation to the relevant Member. Each Member shall promptly provide the Corporation with any applicable tax forms and certifications reasonably requested by the Corporation in connection with determining whether any such deductions and withholdings are required under the Code or any provision of U.S. state, local or foreign tax law.

Section 7.11 Admission of the Corporation into a Consolidated Group; Transfers of Corporate Assets.

(a) If the Corporation is or becomes a member of an affiliated or consolidated group of corporations that files a consolidated income Tax Return pursuant to Section 1501 or other applicable Sections of the Code governing affiliated or consolidated groups, or any corresponding provisions of U.S. state or local law, then: (i) the provisions of this Agreement shall be applied with respect to the group as a whole; and (ii) Tax Benefit Payments, Early Termination Payments, and other applicable items hereunder shall be computed with reference to the consolidated taxable income of the group as a whole.

(b) If any entity that is obligated to make a Tax Benefit Payment or Early Termination Payment hereunder transfers one or more assets to a corporation (or a Person classified as a corporation for U.S. income tax purposes) with which such entity does not file a consolidated Tax Return pursuant to Section 1501 of the Code, such entity, for purposes of calculating the amount of any Tax Benefit Payment or Early Termination Payment due hereunder, shall be treated as having disposed of such asset in a fully taxable transaction on the date of such contribution. The consideration deemed to be received by such entity shall be equal to the fair market value of the contributed asset. For purposes of this Section 7.11, a transfer of a partnership interest shall be treated as a transfer of the transferring partner's share of each of the assets and liabilities of that partnership.

Section 7.12 Confidentiality. Each Member and its assignees acknowledges and agrees that the information of the Corporation is confidential and, except in the course of performing any duties as necessary for the Corporation and its Affiliates, as required by law or legal process or to enforce the terms of this Agreement, such Person shall keep and retain in the strictest confidence and not disclose to any Person any confidential matters, acquired pursuant to this Agreement, of the Corporation and its Affiliates and successors, learned by any Member heretofore or hereafter. This Section 7.12 shall not apply to (i) any information that has been made publicly available by the Corporation or any of its Affiliates, becomes public knowledge (except as a result of an act of any Member in violation of this Agreement) or is generally known to the business community, (ii) the disclosure of information to the extent necessary for a Member to prosecute or defend claims arising under or relating to this Agreement, and (iii) the disclosure of information to the extent necessary for a Member to prepare and file its Tax Returns, to respond to any inquiries regarding the same from any Taxing Authority or to prosecute or defend any action, proceeding or audit by any Taxing Authority with respect to such Tax Returns. Notwithstanding anything to the contrary herein, the Members and each of their assignees (and each employee, representative or other agent of the Members or their assignees, as applicable) may disclose at their discretion to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Corporation, the Members and any of their transactions, and all materials of any kind (including tax opinions or other tax analyses) that are provided to the Members relating to such tax treatment and tax structure. If a Member or an assignee commits a breach, or threatens to commit a breach, of any of the provisions of this Section 7.12, the Corporation shall have the right and remedy to have the provisions of this Section 7.12 specifically enforced by injunctive relief or otherwise by any court of competent jurisdiction without the need to post any bond or other security, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Corporation or any of its Subsidiaries and that money damages alone shall not provide an adequate remedy to such Persons. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

Section 7.13 Change in Law. Notwithstanding anything herein to the contrary, if, in connection with an actual or proposed change in law, a Member reasonably believes that the existence of this Agreement could cause income (other than income arising from receipt of a payment under this Agreement) recognized by such Member (or direct or indirect equity holders in such Member) in connection with any Exchange to be treated as ordinary income rather than capital gain (or otherwise taxed at ordinary income rates) for U.S. federal income tax purposes or would have other material adverse tax consequences to such Member or any direct or indirect owner of such Member, then at the written election of such Member in its sole discretion (in an instrument signed by such Member and delivered to the Corporation) and to the extent specified therein by such Member, this Agreement shall cease to have further effect and shall not apply to an Exchange occurring after a date specified by such Member, or may be amended by in a manner reasonably determined by such Member, *provided* that such amendment shall not result in an increase in any payments owed by the Corporation under this Agreement at any time as compared to the amounts and times of payments that would have been due in the absence of such amendment.

Section 7.14 Interest Rate Limitation. Notwithstanding anything to the contrary contained herein, the interest paid or agreed to be paid hereunder with respect to amounts due to any Member hereunder shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If any Member shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the Tax Benefit Payment or Early Termination Payment, as applicable (but in each case exclusive of any component thereof comprising interest) or, if it exceeds such unpaid non-interest amount, refunded to the Corporation. In determining whether the interest contracted for, charged, or received by any Member exceeds the Maximum Rate, such Member may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the payment obligations owed by the Corporation to such Member hereunder. Notwithstanding the foregoing, it is the intention of the Parties to conform strictly to any applicable usury laws.

Section 7.15 Independent Nature of Rights and Obligations. The rights and obligations of each Member hereunder are several and not joint with the rights and obligations of any other Person. A Member shall not be responsible in any way for the performance of the obligations of any other Person hereunder, nor shall a Member have the right to enforce the rights or obligations of any other Person hereunder (other than the Corporation). The obligations of a Member hereunder are solely for the benefit of, and shall be enforceable solely by, the Corporation. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Member pursuant hereto or thereto, shall be deemed to constitute the Members acting as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Members are in any way acting in concert or as a group with respect to such rights or obligations or the transactions contemplated hereby, and the Corporation acknowledges that the Members are not acting in concert or as a group and will not assert any such claim with respect to such rights or obligations or the transactions contemplated hereby.

[*Signature Page Follows This Page*]

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

GREENLANE HOLDINGS, INC.

By: _____
Name:
Title:

GREENLANE HOLDINGS, LLC

By: _____
Name:
Title:

[MEMBERS]

_____

_____

_____

Exhibit A

FORM OF JOINDER AGREEMENT

This JOINDER AGREEMENT, dated as of , 20 (this "Joinder"), is delivered pursuant to that certain Tax Receivable Agreement, dated as of [●] 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Tax Receivable Agreement") by and among Greenlane Holdings, Inc., a Delaware corporation (the "Corporation"), Greenlane Holdings, LLC, a Delaware limited liability company ("Greenlane Holdings, LLC"), and each of the Members from time to time party thereto. Capitalized terms used but not otherwise defined herein have the respective meanings set forth in the Tax Receivable Agreement.

1. Joinder to the Tax Receivable Agreement. The undersigned hereby represents and warrants to the Corporation that, as of the date hereof, the undersigned has been assigned an interest in the Tax Receivable Agreement from a Member.

2. Joinder to the Tax Receivable Agreement. Upon the execution of this Joinder by the undersigned and delivery hereof to the Corporation, the undersigned hereby is and hereafter will be a Member under the Tax Receivable Agreement and a Party thereto, with all the rights, privileges and responsibilities of a Member thereunder. The undersigned hereby agrees that it shall comply with and be fully bound by the terms of the Tax Receivable Agreement as if it had been a signatory thereto as of the date thereof.

3. Incorporation by Reference. All terms and conditions of the Tax Receivable Agreement are hereby incorporated by reference in this Joinder as if set forth herein in full.

4. Address. All notices under the Tax Receivable Agreement to the undersigned shall be direct to:

[Name]
[Address]
[City, State, Zip Code]
Attn:
Facsimile:
E-mail:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Joinder as of the day and year first above written.

[NAME OF NEW PARTY]

By: _____
Name:
Title:

Acknowledged and agreed
as of the date first set forth above:

GREENLANE HOLDINGS, INC.

By: _____
Name:
Title:

Exhibit 10.5

INDEMNIFICATION AGREEMENT

by and between

GREENLANE HOLDINGS, INC.

and

[ ]

as Indemnitee

Dated as of , 2019

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INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT, dated effective as of [ ], 2019 (this "Agreement"), by and between Greenlane Holdings, Inc., a Delaware corporation (the "Company"), and [ ] ("Indemnitee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in Article 1.

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the fullest extent permitted by law;

WHEREAS, the Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and scope of coverage of liability insurance provide increasing challenges for the Company;

WHEREAS, the Company's Amended and Restated Certificate of Incorporation (as the same may be amended and/or restated from time to time, the "Certificate of Incorporation") requires indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the Delaware General Corporation Law ("DGCL");

WHEREAS, the Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts providing for indemnification may be entered into between the Company and members of the board of directors of the Company (the "Board"), executive officers and other key employees of the Company;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder (regardless of, among other things, any amendment to or revocation of governing documents or any change in the composition of the Board or any Corporate Transaction); and

WHEREAS, Indemnitee will serve or continue to serve as a director, officer or key employee of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is otherwise terminated by the Company.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement:

1.1. "Affiliate" shall have the meaning set forth in Rule 405 under the Securities Act of 1933, as amended (as in effect on the date hereof).

1.2. "Agreement" shall have the meaning set forth in the preamble.

1.3. "Beneficial Owner" and "Beneficial Ownership" shall have the meaning set forth in Rule 13d-3 under the Exchange Act (as in effect on the date hereof).

1.4. "Board" shall have the meaning set forth in the recitals.

1.5. "Bylaws" shall mean the Company's Bylaws (as the same may be amended and/or restated from time to time).

1.6. "Certificate of Incorporation" shall have the meaning set forth in the recitals.

1.7. "Change in Control" shall mean, and shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(a) Acquisition of Stock by Third Party. Any Person other than a Permitted Holder is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding Voting Securities, unless (i) the change in the relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors or (ii) such acquisition was approved in advance by the Continuing Directors and such acquisition would not constitute a Change in Control under part (c) of this definition;

(b) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board, and any new director whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended by the directors referred to in this clause (b) (collectively, the "Continuing Directors"), cease for any reason to constitute at least a majority of the members of the Board;

(c) Corporate Transactions. The effective date of a reorganization, merger or consolidation of the Company (in each case, a "Corporate Transaction"), unless following such Corporate Transaction: (i) all or substantially all of the individuals and entities who were the Beneficial Owners of Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding Voting Securities of the Company or other Person resulting from such Corporate Transaction (including, without limitation, a corporation or other Person that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership of Voting Securities immediately prior to such Corporate Transaction; (ii) no Person (excluding any corporation resulting from such Corporate Transaction or the Permitted Holders) is the Beneficial Owner, directly or indirectly, of 50% or more of the combined voting power of the then outstanding Voting Securities of the Company or other Person resulting from such Corporate Transaction, except to the extent that such ownership existed prior to such Corporate Transaction; and (iii) at least a majority of the board of directors of the Company or other Person resulting from such Corporate Transaction were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction; or

(d) Other Events. The approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company or the consummation of an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Company of all or substantially all of the Company's assets, other than such sale or other disposition by the Company of all or substantially all of the Company's assets to a Person, at least 50% of the combined voting power of the Voting Securities of which are Beneficially Owned by (i) the stockholders of the Company immediately prior to such sale or (ii) the Permitted Holders.

1.8. "Company" shall have the meaning set forth in the preamble and shall also include, in addition to the resulting corporation or other entity, any constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation or other entity as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

1.9. "Continuing Directors" shall have the meaning set forth in Section 1.7(b).

1.10. "Corporate Status" shall describe the status as such of a Person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise which such Person is or was serving at the request of the Company.

1.11. "Corporate Transaction" shall have the meaning set forth in Section 1.7(c).

1.12. "Delaware Court" shall mean the Court of Chancery of the State of Delaware.

1.13. "DGCL" shall have the meaning set forth in the recitals.

1.14. "Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

1.15. "Enterprise" shall mean the Company and any other corporation, constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned Subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.

1.16. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

1.17. "Expenses" shall include all reasonable and documented attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or negotiating for the settlement of, responding to or objecting to a request to provide discovery in, or otherwise participating in, any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments, fines or penalties against Indemnitee.

1.18. "Indemnification Arrangements" shall have the meaning set forth in Section 15.2.

1.19. "Indemnitee" shall have the meaning set forth in the preamble.

1.20. "Independent Counsel" shall mean a law firm, or a member of a law firm, that is of outstanding reputation, experienced in matters of corporation law and neither is as of the date of selection of such firm, nor has been during the period of three years immediately preceding the date of selection of such firm, retained to represent: (a) the Company or Indemnitee in any material matter (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (b) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto. For purposes of this definition, a "material matter" shall mean any matter for which billings exceeded or are expected to exceed $100,000.

1.21. "Permitted Holder" shall mean Aaron LoCascio, Adam Schoenfeld, Jacoby & Co. Inc. and their respective Affiliates and Related Parties.

1.22. "Person" shall have the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act (as in effect on the date hereof); provided, however, that the term "Person" shall exclude: (a) the Company; (b) any Subsidiaries of the Company; and (c) any employee benefit plan of the Company or a Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary of the Company or of a corporation or other entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

1.23. "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, including, without limitation, any and all appeals, whether brought by or in the right of the Company or otherwise and whether of a civil (including, without limitation, intentional or unintentional tort claims), criminal, administrative or investigative nature, whether formal or informal, in which Indemnitee was, is, will or might be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by or omission by Indemnitee, or of any action or omission on Indemnitee's part while acting as a director or officer of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise; in each case whether or not acting or serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement or Section 145 of the DGCL; including one pending on or before the date of this Agreement but excluding one initiated by Indemnitee to enforce Indemnitee's rights under this Agreement or Section 145 of the DGCL.

1.24. "Related Party" shall mean, with respect to any Person, (a) any controlling stockholder, controlling member, general partner, Subsidiary, spouse or immediate family member (in the case of an individual) of such Person, (b) any estate, trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or owners of which consist solely of one or more Permitted Holders and/or such other Persons referred to in the immediately preceding clause (a), or (c) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (b), acting solely in such capacity.

1.25. "Section 409A" shall have the meaning set forth in Section 17.2.

1.26. "Subsidiary" with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

1.27. "Voting Securities" shall mean any securities of the Company (or a surviving entity as described in the definition of a "Change in Control") that vote generally in the election of directors (or similar body).

1.28. References to "fines" shall include any excise tax or penalty assessed on Indemnitee with respect to any employee benefit plan; references to "other enterprise" shall include employee benefit plans; references to "serving at the request of the Company" shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

1.29. The phrase "to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law" shall include, but not be limited to: (a) to the fullest extent authorized or permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL and (b) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

ARTICLE 2

INDEMNITY IN THIRD-PARTY PROCEEDINGS

Subject to Article 8 and Article 11, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 2 if Indemnitee is, was or is threatened to be made a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8 and Article 11, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties and, subject to Section 10.3, amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful.

ARTICLE 3

INDEMNITY IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY

Subject to Article 8 and Article 11, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 3 if Indemnitee is, was or is threatened to be made a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8 and Article 11, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Article 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged (and not subject to further appeal) by a court of competent jurisdiction to be liable to the Company, except to the extent that the Delaware Court or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

ARTICLE 4

INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL

Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. For the avoidance of doubt, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, then the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each resolved claim, issue or matter, whether or not Indemnitee was wholly or partly successful; provided that Indemnitee shall only be entitled to indemnification for Expenses with respect to unsuccessful claims under this Article 4 to the extent Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful. For purposes of this Article 4 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, or by settlement, shall be deemed to be a successful result as to such claim, issue or matter.

ARTICLE 5

INDEMNIFICATION FOR EXPENSES OF A WITNESS

Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

ARTICLE 6

ADDITIONAL INDEMNIFICATION, HOLD HARMLESS AND EXONERATION RIGHTS

In addition to and notwithstanding any limitations in Articles 2, 3 or 4, but subject to Article 8 and Article 11, the Company shall indemnify, hold harmless and exonerate Indemnitee to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law if Indemnitee is, was or is threatened to be made a party to or a participant in, any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and, subject to Section 10.3, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with the Proceeding. No indemnity shall be available under this Article 6 on account of Indemnitee's conduct that constitutes a breach of Indemnitee's duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law.

ARTICLE 7

CONTRIBUTION IN THE EVENT OF JOINT LIABILITY

7.1. To the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law, if the indemnification rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

7.2. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

7.3. The Company hereby agrees to fully indemnify, hold harmless and exonerate Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company (other than Indemnitee) who may be jointly liable with Indemnitee.

ARTICLE 8

EXCLUSIONS

8.1. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity, contribution or advancement of Expenses in connection with any claim made against Indemnitee:

(a) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (or any similar successor statute) or similar provisions of state statutory law or common law; or

(b) in connection with any Proceeding (or any part of any Proceeding) initiated or brought voluntarily by Indemnitee, including, without limitation, any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, other than a Proceeding initiated by Indemnitee to enforce its rights under this Agreement, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) or (ii) the Company provides the indemnification payment, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(c) for the payment of amounts required to be reimbursed to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, as amended, or any similar successor statute; or

(d) for any payment to Indemnitee that is determined to be unlawful by a final judgment or other adjudication of a court or arbitration, arbitral or administrative body of competent jurisdiction as to which there is no further right or option of appeal or the time within which an appeal must be filed has expired without such filing and under the procedures and subject to the presumptions of this Agreement; or

(e) in connection with any Proceeding initiated by Indemnitee to enforce its rights under this Agreement if a court of competent jurisdiction determines by final judicial decision that each of the material assertions made by Indemnitee in such Proceeding was not made in good faith or was frivolous.

The exclusion in Section 8.1(c) shall not apply to counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee.

ARTICLE 9

ADVANCES OF EXPENSES; SELECTION OF LAW FIRM

9.1. Subject to Article 8 and Article 11, the Company shall, unless prohibited by applicable law, advance the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within ten business days after the receipt by the Company of a statement or statements requesting such advances, together with a reasonably detailed written explanation of the basis therefor and an itemization of legal fees and disbursements in reasonable detail, from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Indemnitee shall qualify for advances, to the fullest extent permitted by this Agreement, solely upon the execution and delivery to the Company of an undertaking providing that Indemnitee undertakes to repay the advance to the extent that it is ultimately determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement or pursuant to applicable law. This Section 9.1 shall not apply to any claim made by Indemnitee for which an indemnification payment is excluded pursuant to Article 8.

9.2. If the Company shall be obligated under Section 9.1 hereof to pay the Expenses of any Proceeding against Indemnitee, then the Company shall be entitled to assume the defense of such Proceeding upon the delivery to Indemnitee of written notice of its election to do so. If the Company elects to assume the defense of such Proceeding, then unless the plaintiff or plaintiffs in such Proceeding include one or more Persons holding, together with his, her or its Affiliates, in the aggregate, a majority of the combined voting power of the Company's then outstanding Voting Securities, the Company shall assume such defense using a single law firm (in addition to local counsel) selected by the Company representing Indemnitee and other present and former directors or officers of the Company. The retention of such law firm by the Company shall be subject to prior written approval by Indemnitee, which approval shall not be unreasonably withheld, delayed or conditioned. If the Company elects to assume the defense of such Proceeding and the plaintiff or plaintiffs in such Proceeding include one or more Persons holding, together with his, her or its Affiliates, in the aggregate, a majority of the combined voting power of the Company's then outstanding Voting Securities, then the Company shall assume such defense using a single law firm (in addition to local counsel) selected by Indemnitee and any other present or former directors or officers of the Company who are parties to such Proceeding. After (x) in the case of retention of any such law firm selected by the Company, delivery of the required notice to Indemnitee, approval of such law firm by Indemnitee and the retention of such law firm by the Company, or (y) in the case of retention of any such law firm selected by Indemnitee, the completion of such retention, the Company will not be liable to Indemnitee under this Agreement for any Expenses of any other law firm incurred by Indemnitee after the date that such first law firm is retained by the Company with respect to the same Proceeding; provided, that in the case of retention of any such law firm selected by the Company (a) Indemnitee shall have the right to retain a separate law firm in any such Proceeding at Indemnitee's sole expense; and (b) if (i) the retention of a law firm by Indemnitee has been previously authorized by the Company in writing, (ii) Indemnitee shall have reasonably concluded that (1) there may be a conflict of interest between either (x) the Company and Indemnitee or (y) Indemnitee and another present or former director or officer of the Company also represented by such law firm in the conduct of any such defense, or (2) there may be defenses available to Indemnitee that are incompatible or inconsistent with those available to the Company or another present or former director represented by such law firm in the conduct of such defense, or (iii) the Company shall not, in fact, have retained a law firm to prosecute the defense of such Proceeding within thirty days, then the reasonable Expenses of a single law firm retained by Indemnitee shall be at the expense of the Company. Notwithstanding anything else to the contrary in this Section 9.2, the Company will not be entitled without the written consent of the Indemnitee to assume the defense of any Proceeding brought by or in the right of the Company.

ARTICLE 10

PROCEDURE FOR NOTIFICATION; DEFENSE OF CLAIM; SETTLEMENT

10.1. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing promptly of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement; provided, however, that a delay in giving such notice shall not deprive Indemnitee of any right to be indemnified under this Agreement unless, and then only to the extent that, such delay is materially prejudicial to the defense of such claim. The omission or delay to notify the Company will not relieve the Company from any liability for indemnification which it may have to Indemnitee otherwise than under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

10.2. The Company will be entitled to participate in the Proceeding at its own expense.

10.3. The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any claim effected without the Company's prior written consent, provided the Company has not breached its obligations hereunder. The Company shall not settle any claim, including, without limitation, any claim in which it takes the position that Indemnitee is not entitled to indemnification in connection with such settlement, nor shall the Company settle any claim which would impose any fine or obligation on Indemnitee or attribute to Indemnitee any admission of liability, without Indemnitee's prior written consent. Neither the Company nor Indemnitee shall unreasonably withhold, delay or condition their consent to any proposed settlement.

ARTICLE 11

PROCEDURE UPON APPLICATION FOR INDEMNIFICATION

11.1. Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 10.1, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (a) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (b) if a Change in Control shall not have occurred, (i) by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, (ii) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, or (iii) if there are less than three Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten business days after such determination and any future amounts due to Indemnitee shall be paid in accordance with this Agreement. Indemnitee shall cooperate with the Person making such determination with respect to Indemnitee's entitlement to indemnification, including, without limitation, providing to such Person upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination, provided, that nothing contained in this Agreement shall require Indemnitee to waive any privilege Indemnitee may have. Any costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Person making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification), and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

11.2. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11.1 hereof, the Independent Counsel shall be selected as provided in this Section 11.2. If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten business days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Article 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the Person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court or arbitrator has determined that such objection is without merit. If, within twenty days after submission by Indemnitee of a written request for indemnification pursuant to Section 10.1 hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may seek arbitration for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a Person selected by the arbitrator or by such other Person as the arbitrator shall designate, and the Person with respect to whom all objections are so resolved or the Person so appointed shall act as Independent Counsel under Section 11.1 hereof. Such arbitration referred to in the previous sentence shall be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association, and Article 13 hereof shall apply in respect of such arbitration and the Company and Indemnitee. Upon the due commencement of any judicial proceeding pursuant to Section 13.1 of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

ARTICLE 12

PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS

12.1. In making a determination with respect to entitlement to indemnification hereunder, the Person making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10.1 of this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its Board, its Independent Counsel and its stockholders) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification or advancement of expenses is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its Board, its Independent Counsel and its stockholders) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

12.2. If the Person empowered or selected under Article 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (a) an intentional misstatement by Indemnitee of a material fact, or an intentional omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (b) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such thirty-day period may be extended for a reasonable time, not to exceed an additional fifteen days, if the Person making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

12.3. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

12.4. For purposes of any determination of good faith pursuant to this Agreement, Indemnitee shall be deemed to have acted in good faith if, among other things, Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its board of directors, any committee of the board of directors or any director, or on information or records given or reports made to the Enterprise, its board of directors, any committee of the board of directors or any director, by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise, its board of directors, any committee of the board of directors or any director. The provisions of this Section 12.4 shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement. In any event, it shall be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

12.5. The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12.6. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

ARTICLE 13

REMEDIES OF INDEMNITEE

13.1. In the event that (a) a determination is made pursuant to Article 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Article 9 of this Agreement, (c) no determination of entitlement to indemnification shall have been made pursuant to Section 11.1 of this Agreement within thirty days after receipt by the Company of the request for indemnification and of reasonable documentation and information which Indemnitee may be called upon to provide pursuant to Section 11.1, (d) payment of indemnification is not made pursuant to Articles 4, 5, 6 or the last sentence of Section 11.1 of this Agreement within ten business days after receipt by the Company of a written request therefor, (e) a contribution payment is not made in a timely manner pursuant to Article 7 of this Agreement, (f) payment of indemnification pursuant to Article 3 or 6 of this Agreement is not made within ten business days after a determination has been made that Indemnitee is entitled to indemnification or (g) the Company or any representative thereof takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any Proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of Indemnitee's entitlement to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration. The award rendered by such arbitration will be final and binding upon the parties hereto, and final judgment on the arbitration award may be entered in any court of competent jurisdiction.

13.2. In the event that a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Article 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Article 13, Indemnitee shall be presumed to be entitled to receive advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 11.1 of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Article 13, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Article 9 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal shall have been exhausted or lapsed).

13.3. If a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Article 13, absent (a) an intentional misstatement by Indemnitee of a material fact or an intentional omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification or (b) a prohibition of such indemnification under applicable law.

13.4. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to thisArticle 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

13.5. The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten days after the Company's receipt of such written request) pay to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (a) to enforce his or her rights under, or to recover damages for breach of, this Agreement or any other indemnification, advancement or contribution agreement or provision of the Certificate of Incorporation, or the Bylaws now or hereafter in effect; or (b) for recovery or advances under any insurance policy maintained by any Person for the benefit of Indemnitee, regardless of the outcome and whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement, contribution or insurance recovery, as the case may be (unless such judicial proceeding or arbitration was not brought by Indemnitee in good faith).

13.6. Interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies, or is obliged to indemnify, for the period commencing with the date on which Indemnitee requests indemnification, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

ARTICLE 14

SECURITY

Notwithstanding anything herein to the contrary, to the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

ARTICLE 15

NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; PRIMACY OF INDEMNIFICATION; SUBROGATION

15.1. The rights of Indemnitee as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation, the Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15.2. The DGCL and the Certificate of Incorporation permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit or surety bond ("Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against Indemnitee or incurred by or on behalf of Indemnitee or in such capacity as a director, officer, employee or agent of the Company, or arising out of his or her status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

15.3. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managing members, fiduciaries, employees or agents of the Company or of any other Enterprise which such Person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

15.4. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers reasonably required and take all action reasonably necessary to secure such rights, including, without limitation, execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

15.5. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

15.6. The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification payments or advancement of Expenses from such Enterprise. Notwithstanding any other provision of this Agreement to the contrary, (a) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Company's satisfaction and performance of all its obligations under this Agreement, and (b) the Company shall perform fully its obligations under this Agreement without regard to whether Indemnitee holds, may pursue or has pursued any indemnification, advancement, contribution or insurance coverage rights against any Person or entity other than the Company.

ARTICLE 16

ENFORCEMENT AND BINDING EFFECT

16.1. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director, officer or key employee of the Company.

16.2. This Agreement shall be effective as of the date set forth on the first page and may apply to acts or omissions of Indemnitee which occurred prior to such date if Indemnitee was an officer, director, employee or other agent of the Company, or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, at the time such act or omission occurred.

16.3. The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult to prove, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including, without limitation, temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

ARTICLE 17

MISCELLANEOUS

17.1. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's assigns, heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect successor by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

17.2. Section 409A. It is intended that any indemnification payment or advancement of Expenses made hereunder shall be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A") pursuant to Treasury Regulation Section 1.409A-1(b)(10). Notwithstanding the foregoing, if any indemnification payment or advancement of Expenses made hereunder shall be determined to be "nonqualified deferred compensation" within the meaning of Section 409A, then (i) the amount of the indemnification payment or advancement of Expenses during one taxable year shall not affect the amount of the indemnification payments or advancement of Expenses during any other taxable year, (ii) the indemnification payments or advancement of Expenses must be made on or before the last day of the Indemnitee's taxable year following the year in which the expense was incurred and (iii) the right to indemnification payments or advancement of Expenses hereunder is not subject to liquidation or exchange for another benefit.

17.3. Severability. In the event that any provision of this Agreement is determined by a court to require the Company to do or to fail to do an act which is in violation of applicable law, such provision (including, without limitation, any provision within a single Article, Section, paragraph or sentence) shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Agreement shall be enforceable in accordance with their terms to the fullest extent permitted by law.

17.4. Entire Agreement. Without limiting any of the rights of Indemnitee under the Certificate of Incorporation or Bylaws, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

17.5. Modification, Waiver and Termination. No supplement, modification, termination, cancellation or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

17.6. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed or (b) mailed by certified or registered mail with postage prepaid on the third business day after the date on which it is so mailed:

(i) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

(ii) If to the Company, to:

Greenlane Holdings, Inc.
1095 Broken Sound Parkway, Suite 300
Boca Raton, Florida 33487
Attn: General Counsel
Telephone: (561) 571-9581

or to any other address as may have been furnished to Indemnitee in writing by the Company.

17.7. Applicable Law. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. If, notwithstanding the foregoing sentence, a court of competent jurisdiction shall make a final determination that the provisions of the law of any state other than Delaware govern indemnification by the Company of Indemnitee, then the indemnification provided under this Agreement shall in all instances be enforceable to the fullest extent permitted under such law, notwithstanding any provision of this Agreement to the contrary.

17.8. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

17.9. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

17.10. Representation by Counsel. Each of the parties has been represented by and has had an opportunity to consult legal counsel in connection with the negotiation and execution of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or arbitrator or any governmental authority by reason of such party having drafted or being deemed to have drafted such provision.

17.11. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

17.12. Additional Acts. If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

COMPANY:

GREENLANE HOLDINGS, INC.

By: _____
Name:
Title:

INDEMNITEE:

By: _____
Name:
Address:

[Signature page to Indemnification Agreement]

Exhibit 10.6

CREDIT AGREEMENT

by and between

JACOBY & CO. INC.

and

FIFTH THIRD BANK

Dated as of October 4, 2017

CREDIT AGREEMENT

This CREDIT AGREEMENT is dated as of October 4, 2017, by and between JACOBY & CO. INC., a Nevada corporation ("Borrower"), and FIFTH THIRD BANK, an Ohio Banking Corporation (the "Bank").

RECITALS

The Borrower has requested the Bank to extend credit to the Borrower. The Bank is willing to extend credit to the Borrower, subject to the terms and conditions hereinafter set forth.

Accordingly, the Borrower and the Bank agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Definitions. As used herein, the following words and terms shall have the following meanings:

"Adjusted EBITDA" shall mean, for the period in question, Net Income plus Interest Expense plus depreciation and amortization plus taxes plus rents and operating lease payments minus distributions and dividends to members and shareholders (net of contributions, which shall not exceed distributions) plus proceeds of all Subordinated Debt plus/minus any nonrecurring/extraordinary expense or revenue items as determined by the Bank in its reasonable discretion, calculated in accordance with GAAP applied on a consistent basis but adjusted for non-cash straight-line rent adjustments and capital expenditures (other than capital expenditures financed with the proceeds of purchase money Indebtedness or Capital Leases to the extent permitted under this Agreement).

"Adjustment Protocol" shall have the meaning set forth in the definition of LIBOR Rate.

"Affiliate" shall mean with respect to any Person, any corporation, partnership, limited liability company, limited liability partnership, joint venture, trust or unincorporated organization which, directly or indirectly, controls or is controlled by or is under common control with such Person. For the purpose of this definition, "control" of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management or policies of such Person whether through the ownership of voting securities by contract or otherwise; provided that, in any event, any person who owns directly or indirectly forty (40%) percent or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or forty (40%) percent or more of the partnership, membership or other ownership interest of any Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person.

"Agreed Currency" shall have the meaning provided in Section 9.1.7.

"Agreement" shall mean this Credit Agreement dated as of October 4, 2017, as it may hereafter be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"AML Legislation" shall have the meaning provided in Section 9.16.

"Anti-Terrorism Laws" shall mean any laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by the United States Treasury Department's Office of Foreign Asset Control, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (as any of the foregoing laws may from time to time be amended, renewed, extended, or replaced).

"Banking Services" shall mean each and any of the following commercial bank services provided to the Borrower by the Bank: (i) commercial credit, credit cards, purchase or debit cards and (ii) cash management, treasury or related services (including, without limitation, controlled deposit accounts, overnight draft, funds transfer, automated clearinghouse, zero accounts, lockbox, account reconciliation, disbursement, ACH transactions, return items and interstate depository network services); and (iii) any interest rate swap, cap, floor, collar, or any similar transaction or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging Borrower's exposure to fluctuations in internet rates.

"Banking Services Obligations" of the Borrower shall mean any and all obligations of the Borrower, whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Blocked Person" shall have the meaning provided in Section 4.19(b).

"Borrowing Base" shall mean, at any time, fifty (50%) percent of Borrower Group's Eligible Inventoryplus eighty (80%) percent of Borrower Group's Eligible Receivables.

"Borrowing Base Certificate" shall mean a certificate signed and certified as accurate and complete by an Executive Officer of Borrower, setting forth the calculation of the Borrowing Base, and including such other information as may be reasonably requested by Bank from time to time.

"Borrowing Date" shall mean, with respect to any Loan, the date on which such Loan is disbursed to the Borrower.

"Borrower Group" shall mean the Borrower and each Guarantor that is a direct and indirect subsidiary of Borrower.

"Business Day" shall mean (i) with respect to all notices and determinations in connection with the LIBOR Rate, any day (other than a Saturday or Sunday) on which commercial banks are open in London, England, New York, New York, and Cincinnati, Ohio for dealings in deposits in the London Interbank Market; and (ii) in all other cases, any day on which commercial banks in Cincinnati, Ohio are required by law to be open for business; provided that, notwithstanding anything to the contrary in this definition of "Business Day", at any time during which a rate management agreement with the Bank is then in effect with respect to all or a portion of the Revolving Credit Note, then the definitions of "Business Day" and "Banking Day", as applicable, pursuant to such rate management agreement shall govern with respect to all applicable notices and determinations in connection with such portion of the Revolving Credit Note subject to such rate management agreement.

"Canadian Benefit Plans" shall mean, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, any bonus, deferred compensation, incentive compensation, share purchase, share option, share appreciation, phantom share, savings, profit sharing, severance or termination pay, health, dental or other medical, life, disability insurance, mortgage insurance, employee loan, employee assistance, supplementary unemployment benefit, registered and other pension, retirement and supplementary retirement, plan, program and every other benefit plan, program, agreement, arrangement or practice maintained or contributed to for the benefit of any of the Borrower Group's employees, former employees or their respective dependent or beneficiaries or under which the Borrower Group has any liability in respect of any of its employees, former employees or their respective dependent or beneficiaries, but excluding the Canada Pension Plan, the Quebec Pension Plan, any health or drug plan established and administered by a Canadian Province and workers' compensation insurance provided by Canadian federal or provincial legislation or a comparable program established and administered outside Canada.

"Canadian Insolvency Laws" shall mean any of the Bankruptcy and Insolvency Act (Canada) the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), the Bankruptcy Code, as at now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"Canadian Pension Legislation" shall mean the Pension Benefits Act (Ontario) and regulations adopted thereunder, and any similar Canadian provincial or federal legislation.

"Canadian Pension Plans" shall mean a Canadian Benefit Plan which is a registered pension plan, as that term is defined in the Income Tax Act (Canada), other than a MEPP.

"Capital Lease" shall mean (i) any lease of property, real or personal, if the then present value of the minimum rental commitment thereunder should, in accordance with GAAP applied on a consistent basis, be capitalized on the balance sheet of the lessee, and (ii) any other such lease the obligations of which are required to be capitalized on the balance sheet of the lessee.

"Change of Control" shall mean any event which results in any Person, or two or more Persons acting in concert, in each case, acquiring beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended), directly or indirectly, by contract or otherwise, or entering into a contract or arrangement which upon consummation will result in its or their acquisition of, or control over, securities of Borrower (or other securities convertible into such securities) representing fifty (50%) percent or more of the combined voting power of all securities of Borrower entitled to vote in the election of managers.

"Closing Date" shall mean October 4, 2017.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" shall mean the obligation of the Bank to make Revolving Credit Loans in the aggregate amount not to exceed Eight Million ($8,000,000) Dollars.

"Commitment Period" shall mean the period from and including the Closing Date to, but not including, the Commitment Termination Date or such earlier date as the Commitment shall terminate as provided herein.

"Commitment Termination Date" shall mean October 4, 2018.

"CPA" shall have the meaning set forth in Section 4.3.

"Default" shall mean any event or condition which upon notice, lapse of time, or both, would constitute an Event of Default.

"Dollar" and the symbol "$" shall mean lawful money of the United States of America.

"Eligible Inventory" means at any time, Borrower Group's inventory of finished goods held for use or sale in the ordinary course of Borrower Group's business, valued by the Bank at the lower of cost or fair market value on a first in, first out basis; provided that Eligible Inventory shall not include the following: (i) raw materials and work-in-process; (ii) obsolete items; (iii) samples and packing materials; (iv) returned items; (v) any inventory in which the Bank does not have a valid, first priority and fully perfected security interest; (vi) any inventory evidenced by negotiable warehouse receipts or documents of title which have not been issued in the name of the Bank; and (viii) any inventory not in the actual possession of the Borrower Group or located at any leased location or public warehouse, unless a reasonably satisfactory landlord or warehouseman lien subordination or waiver has been delivered to the Bank or reserves reasonably satisfactory to the Bank in its discretion have been established by the Borrower Group with respect thereto, provided, however, inventory in transit shall, notwithstanding the foregoing, be considered Eligible Inventory under this Section (viii) to the extent said inventory is properly insured, as determined by the Bank in its reasonable discretion, with the Bank named as a losspayee on any applicable insurance policy. Inventory, which is deemed to be Eligible Inventory, but which subsequently fails to meet the foregoing criteria for Eligible Inventory, shall immediately cease to be Eligible Inventory for the purpose of determining the Borrowing Base. To the extent that such inventory once again meets the foregoing criteria for Eligible Inventory, such inventory shall immediately be Eligible Inventory for purposes of determining the Borrowing Base.

"Eligible Receivables" shall mean, at any time, Borrower Group's accounts receivable that are not more than ninety (90) days past the original invoice date (less contra accounts); provided that Eligible Receivables shall not include the following: (i) accounts receivable with respect to which the account debtor is a member, officer, employee, agent or Affiliate of any of the Borrower Group; (ii) accounts receivable with respect to which the debtor is not a resident of, or does not have its principal place of business in, the United States or Canada, provided, however, said accounts receivable may be deemed eligible by the Bank on a case by case basis, if satisfactory letters of credit, credit insurance, or other requested documentation is received by the Bank; (iii) if the total accounts receivable owed by a debtor to the Borrower Group total more than twenty (20%) percent of Borrower Group's total accounts receivable, then Eligible Receivables shall not include any such accounts receivable owed by said debtor to the Borrower Group that exceed twenty (20%) percent of Borrower Group's total accounts receivable; and (iv) any and all accounts receivable owed by a particular debtor if twenty-five (25%) percent or more of the total accounts receivable owed by said debtor to the Borrower Group are due and outstanding more than ninety (90) days from the original invoice date. In the event that an Eligible Receivable ceases to be an Eligible Receivable hereunder, the Borrower shall notify the Bank thereof on and at the time of submission to the Bank of the next Borrowing Base Certificate. In determining the amount of an Eligible Receivable, the face amount of an account may, in the Bank's discretion, be reduced, without duplication, to the extent not reflected in such face amount, by: (a) the amount of all accrued and actual rebates, discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances and (b) the aggregate amount of all cash received in respect of such account but not yet applied by the Borrower Group to reduce the amount of such account.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) which, together with the Borrower Group, would be deemed to be a member of the same "controlled group" within the meaning of Section 414(b) and (c) of the Code.

"Event of Default" shall mean any Event of Default set forth in Article VIII.

"Executive Officer" shall mean the chief executive officer or chief financial officer of Borrower of entity Guarantor, as applicable, and any other officer or similar official thereof with significant responsibility for the administration of the obligations of the Borrower or entity Guarantor in respect of this Agreement and the other Loan Documents.

"Executive Order" shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

"Fixed Charge Coverage Ratio" shall mean the ratio of Borrower Group's consolidated (i) Adjusted EBITDA to (ii) the sum of (a) all principal and interest payments with respect to Indebtedness that were paid or were due and payable by the Borrower Group during the period in question, and (b) all rents that were paid or payable and all operating lease payments that were paid or payable by the Borrower Group during the period in question, calculated in accordance with GAAP applied on a consistent basis but adjusted for non-cash straight-line rent adjustments.

"Governmental Authority" shall mean any nation or government, any state, province, city or municipal entity or other political subdivision thereof, and any governmental, executive, legislative, judicial, administrative or regulatory agency, department, authority, instrumentality, commission, board or similar body, whether federal, state, provincial, territorial, local or foreign.

"Guaranties" shall mean guaranties executed by each of the Guarantors, as the same may be amended, restated, supplemented or modified, from time to time.

"Guarantors" shall mean Aaron Locascio, Adam Schoenfeld, Jacoby Holdings LLC, a Delaware limited liability company, Mid-Atlantic Holdings Group LLC, a Delaware limited liability company, Bio Vapor Solutions LLC, a Delaware limited liability company, MSI Imports LLC, a Washington limited liability company, Aerospaced LLC, a Florida limited liability company, Warehouse Goods LLC, a Delaware limited liability company, Quick Draw Holdings, Inc., a Delaware limited liability company, GS Fulfillment LLC, a Delaware limited liability company, Vape World Distribution LTD., a British Columbia corporation, and HS Products LLC, a Delaware limited liability company.

"Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49) U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 9601,et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule or regulation.

"Hedge Agreement" shall mean any agreement between Borrower and Bank or any affiliate of Bank, now existing or hereafter entered into, which provides for an interest rate swap, cap, floor, collar, or any similar transaction or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging Borrower's exposure to fluctuations in interest rates.

"Indebtedness" shall mean, without duplication, as to any Person or Persons (i) indebtedness for borrowed money; (ii) indebtedness for the deferred purchase price of property or services; (iii) indebtedness evidenced by bonds, debentures, notes or other similar instruments; (iv) obligations and liabilities secured by a Lien upon property owned by such Person, whether or not owing by such Person and even though such Person has not assumed or become liable for the payment thereof; (v) obligations or liabilities created or arising under any conditional sales contract or other title retention agreement with respect to property used and/or acquired by such Person; (vi) obligations of such Person as lessee under Capital Leases; (vii) liabilities of such Person under Hedge Agreements and foreign currency exchange agreements, as calculated on a basis reasonably satisfactory to the Bank and in accordance with accepted practice; (viii) all obligations of such Person in respect of bankers' acceptances; (ix) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and (x) all guaranties of such Person of the type of Indebtedness described in clauses (i) through (ix) above. The amount of any Indebtedness of a Person for which recourse is limited to an identified asset or assets of such Person shall be equal to the lesser of (x) the amount of such Indebtedness and (y) the fair market value of such asset or assets. For purposes of this definition, the amount of any Indebtedness represented by a guaranty shall be the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instruments embodying such Indebtedness.

"Interest Expense" shall mean all interest expense of the Borrower Group determined on a consolidated basis in accordance with GAAP applied on a consistent basis.

"Judgment Currency" shall have the meaning provided in Section 9.17.

"Jurisdiction" shall mean the state in the United States where the Bank's branch which maintains Borrower Group's major deposits is located, or if Borrower Group does not have deposits with the Bank, the Bank's office in a state of the United States where Borrower Group's major banking relationship with it is conducted; if neither of the foregoing apply, then jurisdiction shall mean the State of Florida.

"Landlord Waivers" shall mean the Landlord waivers with respect to properties occupied by the Borrower Group, executed for the benefit of the Bank, as same may be amended, restated, supplemented or modified, from time to time.

"LIBOR Rate" shall mean, as of any date of determination, the rate of interest rounded upwards (the "Rounding Adjustment"), if necessary, to the next 1/8 of 1% (and adjusted for reserves if the Bank is required to maintain reserves with respect to relevant advances) fixed by ICE Benchmark Administration Limited (or any successor thereto, or replacement thereof, approved by the Bank, each an "Alternate LIBOR Source") at approximately 11:00 a.m., London, England time (or the relevant time established by ICE Benchmark Administration Limited, an Alternate LIBOR Source, or the Bank, as applicable), two Business Days prior to such date of determination, relating to quotations for the one month London InterBank Offered Rates on U.S. Dollar deposits, as displayed by Bloomberg LP (or any successor thereto, or replacement thereof, as approved by the Bank, each an "Approved Bloomberg Successor"), or, if no longer displayed by Bloomberg LP (or any Approved Bloomberg Successor), such rate as shall be determined in good faith by the Bank from such sources as it shall determine to be comparable to Bloomberg LP (or any Approved Bloomberg Successor), all as determined by the Bank in accordance with the Bank's loan systems and procedures periodically in effect.

Notwithstanding anything to the contrary contained herein, in no event shall the LIBOR Rate be less than 0% as of any date (the "LIBOR Rate Minimum"); provided that, at any time during which a rate management agreement with the Bank is then in effect with respect to all or a portion of the Obligations, the LIBOR Rate Minimum, the Rounding Adjustment and the Adjustment Protocol (as defined below) shall all be disregarded and no longer of any force and effect with respect to such portion of the Obligations subject to such Rate Management Agreement. Each determination by the Bank of the LIBOR Rate shall be binding and conclusive in the absence of manifest error. The LIBOR Rate shall be initially determined as of the date of the initial advance of funds to Borrower under the Revolving Credit Note and shall be effective until the first Business Day of the month following the period commencing on the date of such initial advance (such first Business Day being the "First Adjustment Date"). The interest rate based upon the LIBOR Rate shall be adjusted automatically on the First Adjustment Date and on the first Business Day of each month thereafter (the "Adjustment Protocol").

Notwithstanding anything herein contained to the contrary, if the Bank, by written or telephonic notice, notifies Borrower that: (i) any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, has made it unlawful for the Bank to fund or maintain its funding in Eurodollars of any portion of any advance subject to the LIBOR Rate or otherwise give effect to the Bank's obligations as contemplated hereby; or (i) (a) LIBOR deposits for periods of one month are not readily available in the London Interbank Offered Rate Market, (b) by reason of circumstances affecting such market or other economic conditions, adequate and reasonable methods do not exist for ascertaining the rate of interest applicable to such deposits, or (iii) the LIBOR Rate as determined by the Bank will not adequately and fairly reflect the cost to the Bank of making or maintaining advances bearing interest with reference to the LIBOR Rate (including inaccurate or inadequate reflection of actual costs resulting from the calculation of rates by reporting sources), then, in any of such events: (A) the Bank's obligations in respect of the LIBOR Rate shall terminate forthwith, (B) the LIBOR Rate with respect to the Bank shall forthwith cease to be in effect, (C) Borrower's right to utilize LIBOR Rate index pricing as set forth in this Agreement and the Revolving Credit Note shall be terminated forthwith, and (D) amounts outstanding under the Revolving Credit Note shall, on and after such date, bear interest at a rate per annum equal to: (1) 0.5% plus (2) the floating rate of interest established from time to time by the Bank at its principal office as its "Prime Rate", whether or not the Bank shall at times lend to borrowers at lower rates of interest or, if there is no such Prime Rate, then such other rate as may be substituted by the Bank for such Prime Rate. Each determination by the Bank of the Prime Rate shall be binding and conclusive in the absence of manifest error. In the event of a change in the Prime Rate, the interest rate accruing hereunder based upon the Prime Rate shall be changed immediately with such change to be based upon such new Prime Rate.

"Lien" shall mean any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, charge, conditional sale, title retention agreement, Capital Lease or other encumbrance or similar right of others, or any agreement to give any of the foregoing.

"Loans" shall mean, collectively, the loans and advances made by the Bank pursuant to this Agreement.

"Loan Documents" shall mean, collectively, this Agreement, the Note, the Security Documents, Hedge Agreements, and each other agreement executed in connection with the transactions contemplated hereby or thereby.

"London Business Day" shall mean any day on which commercial banks in London, England are open for general business.

"Material Adverse Effect" shall mean a material adverse effect on (i) the business, operations, properties or condition (financial or otherwise) of the Borrower Group, or (ii) the ability of the Borrower Group to perform any of its material obligations under any Loan Document to which it is a party.

"Material Contract" shall mean, with respect to any Person, each contract, instrument or agreement to which such Person is a party which is material to the business, operations, properties, prospects or condition (financial or otherwise) of such Person or which, if terminated, could reasonably be expected to result in a Material Adverse Effect.

"MEPP" shall mean a Canadian Benefit Plan which is a multi-employer pension plan, as that term is defined by Canadian Pension Legislation.

"Net Income" shall mean, for any period, the net income (or net loss) for such period calculated in accordance with GAAP applied on a consistent basis.

"Notice of Revolving Credit Loan Borrowing" shall mean the Notice of Revolving Credit Loan Borrowing substantially in the form attached hereto asExhibit B.

"Obligations" shall mean (i) all obligations, liabilities and indebtedness of the Borrower to the Bank, whether now existing or hereafter created, absolute or contingent, direct or indirect, due or not, arising under this Agreement, the Revolving Credit Note or any other Loan Document, including, without limitation, all obligations, liabilities and indebtedness of the Borrower with respect to the principal of and interest on the Loans, (ii) any Banking Services Obligations and (iii) all fees, costs, expenses and indemnity obligations of the Borrower hereunder or under any other Loan Document.

"Operating Accounts" shall mean Borrower's account #7434398447 at the Bank, and any other account at the Bank maintained by a member of Borrower Group, into which (i) Bank shall credit the proceeds from each Revolving Credit Loan hereunder; and (ii) all payments made to Borrower Group shall be deposited, wired or ACH'd.

"Payment Office" shall mean the Bank's office located at 2333 Ponce de Leon Blvd, Suite 303, Coral Gables, FL 33134, Attention: Commercial Loan Administration, or such other office hereinafter designated by the Bank as its Payment Office.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Permitted Liens" shall have the meaning set forth in Section 7.1.

"Person" shall mean any natural person, corporation, limited liability company, limited liability partnership, business trust, joint venture, association, company, partnership or Governmental Authority.

"Plan" shall mean any multi-employer or single-employer plan defined in Section 4001 of ERISA which is subject to Title IV of ERISA, which is maintained, or at any time during the five calendar years preceding the date of this Agreement was maintained for employees of the Borrower Group or an ERISA Affiliate.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Reportable Event" shall mean an event described in Section 4043(c) of ERISA with respect to a Plan as to which the 30-day notice requirement has not been waived by the PBGC.

"Revolving Credit Loan" shall have the meaning specified in Section 2.1.

"Revolving Credit Note" shall mean the Revolving Credit Note, in the form attached hereto asExhibit A, as same may be amended, restated, supplemented or modified, from time to time.

"Security Agreements" shall mean the Security Agreements executed by the Borrower and each entity Guarantor, for the benefit of the Bank, as same may be amended, restated, supplemented or modified, from time to time.

"Security Documents" shall mean, collectively, the Security Agreements, the Guaranties, the Landlord Waivers and each other collateral security document delivered to the Bank hereunder.

"Subordinated Debt" shall mean all Indebtedness which is subordinated in right of payment to the payment of the Obligations on terms set forth in a subordination agreement that is reasonably satisfactory to the Bank.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the present value of the accrued benefits under the Plan as of the close of its most recent plan year exceeds the fair market value of the assets allocable thereto, determined in accordance with Section 412 of the Code.

Section 1.2. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter. The term "including" shall not be limited or exclusive, unless specifically indicated to the contrary. The word "will" shall be construed to have the same meaning in effect as the word "shall". The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the exhibits and schedules hereto, all of which are by this reference incorporated into this Agreement.

Section 1.3. Accounting Terms. Except as otherwise herein specifically provided, each accounting term used herein shall have the meaning given to it under GAAP. "GAAP" shall mean those generally accepted accounting principles and practices which are recognized as such by the American Institute of Certified Public Accountants acting through the Financial Accounting Standards Board ("FASB") or through other appropriate boards or committees thereof, except that any accounting principle or practice required, in the good faith opinion of the CPA, to be changed by the FASB (or other appropriate board or committee of the FASB) in order to continue as a generally accepted accounting principle or practice may be so changed. Any dispute or disagreement between the Borrower and the Bank relating to the determination of GAAP shall, in the absence of manifest error, be conclusively resolved for all purposes hereof by a written opinion with respect thereto delivered to the Bank by the CPA.

ARTICLE II
LOANS

Section 2.1. Revolving Credit Loans.

(a) Subject to the terms and conditions, and relying upon the representations and warranties, set forth herein, the Bank agrees to make loans (individually a "Revolving Credit Loan" and, collectively, the "Revolving Credit Loans") to the Borrower at any time or from time to time on or after the date hereof and until the Commitment Termination Date, provided, however, that no Revolving Credit Loan shall be made if, after giving effect to such Revolving Credit Loan, the aggregate outstanding principal amount of all Revolving Credit Loans would exceed the lesser of the Commitment or the Borrowing Base in effect at such time. During the Commitment Period, the Borrower may from time to time borrow, repay and reborrow hereunder, subject to the terms, provisions and limitations set forth herein.

(b) The Borrower shall, not later than 10:00 a.m., Miami, Florida time, on the date of each proposed Revolving Credit Loan under this Section 2.1, deliver to the Bank a duly completed Notice of Revolving Credit Loan Borrowing, executed by an Executive Officer. Such notice shall be irrevocable.

(c) The Commitment shall automatically terminate on the last day of the Commitment Period. Upon such termination, the Borrower shall immediately repay in full the principal amount of the Revolving Credit Loans then outstanding, together with all accrued and unpaid interest thereon and all other amounts due and payable hereunder.

Section 2.2. Revolving Credit Note. The Revolving Credit Loans made by the Bank shall be evidenced by the Revolving Credit Note, appropriately completed, duly executed and delivered on behalf of the Borrower at Closing and payable to the order of the Bank. Borrower shall be liable for all amounts outstanding under the Revolving Credit Note. The date and amount of each Revolving Credit Loan and the date and amount of each payment or prepayment of principal of each Revolving Credit Loan may be recorded on the grid schedule annexed to the Revolving Credit Note, and the Borrower authorizes the Bank to make such recordation; provided, however, that the failure of the Bank to set forth each such Revolving Credit Loan, payment and other information on such grid shall not in any manner affect the obligation of the Borrower to repay each Revolving Credit Loan made by the Bank in accordance with the terms of the Revolving Credit Note and this Agreement. The Revolving Credit Note and the books and records of the Bank shall constitute conclusive evidence of the information so recorded absent manifest error. The aggregate unpaid amount of the Revolving Credit Loans of the Bank at any time shall be the principal amount owing on the Revolving Credit Note of the Borrower at such time. Borrower shall make monthly payments of all accrued and unpaid interest to the Bank, commencing on November 4, 2017, and continuing on the same day each month during the Commitment Period.

ARTICLE III
INTEREST RATE; FEES AND PAYMENTS; USE OF PROCEEDS

Section 3.1. Interest Rate.

(a) The Revolving Credit Loans shall bear interest on the unpaid principal amount thereof at a rate per annum equal to the LIBOR Rate plus three and one-half (3.50%) percent. The interest rate shall be adjusted pursuant to the Adjustment Protocol.

(b) Upon the occurrence and during the continuance of an Event of Default, the outstanding principal amount of each Loan, shall, at the option of the Bank, bear interest payable on demand, at a rate per annum equal to rate set forth under Section 3.1(a) plus five (5.00%) percent per annum.

(c) A late charge of five (5.00%) percent shall be imposed on each and every payment required hereunder that is not received by Bank within ten (10) days after it is due. The late charge is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The late charge shall be immediately due and payable and shall be paid by the Borrower to the Bank without notice or demand. This provision for late charge is not and shall not be deemed a grace period, and Bank has no obligation to accept a late payment. Further, the acceptance of a late payment shall not constitute a waiver of any Event of Default then existing or thereafter arising.

(d) Anything in this Agreement or in the Revolving Credit Note to the contrary notwithstanding, the obligation of the Borrower to make payments of interest shall be subject to the limitation that payments of interest shall not be required to be paid to the Bank to the extent that the charging or receipt thereof would not be permissible under the law or laws applicable to the Bank limiting the rates of interest that may be charged or collected by the Bank. In each such event payments of interest required to be paid to the Bank shall be calculated at the highest rate permitted by applicable law until such time as the rates of interest required hereunder may lawfully be charged and collected by the Bank. If the provisions of this Agreement or the Revolving Credit Note would at any time otherwise require payment by the Borrower to the Bank of any amount of interest in excess of the maximum amount then permitted by applicable law, the interest payments to the Bank shall be reduced to the extent necessary so that the Bank shall not receive interest in excess of such maximum amount. Any amount paid or collected by the Bank as interest which would be in excess of the amount permitted by applicable law shall be deemed applied to the reduction of the principal balance of the Obligations and not to the payment of interest, but if such Obligations have been or are thereby paid in full, the excess shall be returned to the Borrower, such application to the principal balance of the Obligations or the refunding of excess to be a complete settlement and acquittance thereof.

(e) Interest on each Loan shall be calculated on the basis of a year of three hundred sixty (360) days and shall be payable for the actual days elapsed.

(f) Each determination by the Bank of an interest rate or fee hereunder shall, absent manifest error, be conclusive and binding for all purposes, so long as such determination is made on a reasonable basis and in good faith.

Section 3.2. Use of Proceeds. The proceeds of the Revolving Credit Loans shall be used by the Borrower to refinance the Borrower's credit facilities with Marquis Bank and to finance the Borrower's general working capital requirements in the ordinary course of business.

Section 3.3. Prepayments; Termination of Commitment.

(a) The Borrower may prepay from time to time the then outstanding Loans, in whole or in part, without premium or penalty, upon irrevocable written notice to the Bank, specifying the date and amount of repayment. If such notice is given, the Borrower shall make such repayment and the repayment amount specified in such notice shall be due and payable, on the date specified therein, together with accrued and unpaid interest to such date on the amount repaid to the Bank. Notwithstanding the foregoing, a notice of prepayment of the Obligations delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or securities offerings, in which case if such condition is not satisfied (i) such notice may be revoked by the Borrower (by notice to the Bank on or prior to the specified effective date) or (ii) with the consent of the Bank (not to be unreasonably withheld, delayed or conditioned), the repayment date set forth in such notice may be extended.

(b) To the extent that the aggregate outstanding principal amount of Revolving Credit Loans exceeds the lesser of the Commitment and the Borrowing Base as then in effect, the Borrower shall, within five (5) Business Days, prepay the Revolving Credit Loans to the extent necessary to cause compliance therewith.

(c) Each prepayment of principal of a Loan pursuant to this Section 3.3 shall be accompanied by accrued and unpaid interest on the amount prepaid through the date of prepayment.

Section 3.4. Fees. The Borrower shall pay the Bank a one-time facility fee on the Commitment in the amount of Twenty Thousand ($20,000) Dollars. The Bank acknowledges that Ten Thousand ($10,000) Dollars in respect of such fee has previously been paid by the Borrower.

Section 3.5. Other Events.

(a) In the event that any introduction of or change in, on or after the date hereof, any applicable law, regulation, treaty, order, directive or in the interpretation or application thereof (including, without limitation, any request, guideline or policy, whether or not having the force of law, of or from any central bank or other governmental authority, agency or instrumentality and including, without limitation, Regulation D), by any authority charged with the administration or interpretation thereof shall occur, which: (i) shall subject the Bank to any tax of any kind whatsoever with respect to this Agreement, the Revolving Credit Note, the Loans, or change the basis of taxation of payments to the Bank of principal, interest, fees or any other amount payable hereunder (other than any tax that is measured with respect to the overall net income of the Bank or lending office of the Bank and that is imposed by the United States of America, or any political subdivision or taxing authority thereof or therein, or by any jurisdiction in which the Bank's lending office is located, or by any jurisdiction in which the Bank is organized, has its principal office or is managed and controlled); or (ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement (whether or not having the force of law) against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Bank; or (iii) shall impose on the Bank any other condition, or change therein directly relating to this Agreement, the Revolving Credit Note or the Loans; and the result of any of the foregoing is to increase the cost to the Bank of making, renewing or maintaining or participating in advances or extensions of credit hereunder or to reduce any amount receivable hereunder, in each case by an amount which the Bank reasonably deems material, then, in any such case, the Borrower shall pay the Bank, upon demand, such additional amount or amounts as will reimburse the Bank for such increased costs or reduction.

(b) If the Bank shall have determined in its reasonable discretion that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or any lending office of the Bank) or the Bank's holding company, with any request or directive regarding capital adequacy (whether or not having the force of the law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Bank's capital or on the capital of the Bank's holding company as a consequence of its obligations hereunder to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy) by an amount reasonably deemed by the Bank to be material, then from time to time, the Borrower shall pay to the Bank, the additional amount or amounts as will reimburse the Bank or the Bank's holding company for such reduction directly relating to this Agreement, the Revolving Credit Note or the Loans.

(c) A certificate of the Bank prepared in good faith and setting forth the basis and calculation of any such determination, and the amount or amounts payable pursuant to Sections 3.5(a) and 3.5(b) above, shall be conclusive absent manifest error. The Borrower shall pay the Bank the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

Section 3.6. Taxes. Except as required by law, all payments made by the Borrower under this Agreement shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding income and franchise taxes imposed on the Bank by (a) the United States of America or any political subdivision or taxing authority thereof or therein, (b) the jurisdiction under the laws of which the Bank is organized or in which it has its principal office or is managed and controlled or any political subdivision or taxing authority thereof or therein, or (c) any jurisdiction in which the Bank's lending office is located or any political subdivision or taxing authority thereof or therein (such non-excluded taxes being called "Taxes"). If any Taxes are required to be withheld from any amounts payable to the Bank hereunder, or under the Revolving Credit Note, the amount so payable to the Bank shall be increased to the extent necessary to yield to the Bank (after payment of all Taxes and free and clear of all liability in respect of such Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Revolving Credit Note. If the Borrower fails to pay Taxes when due to the appropriate taxing authority the Borrower shall indemnify the Bank for any incremental taxes, interest or penalties that may become payable by the Bank as a result of any such failure together with any actual expenses payable by the Bank in connection therewith.

Section 3.7. Disbursement of Loans. The Bank shall make the Loans available to the Borrower by crediting an amount equal to the Loan to the Operating Account designated by Borrower from time to time, unless otherwise agreed upon by the parties hereto.

Section 3.8. Payments.

(a) All payments (including prepayments) to be made by the Borrower on account of principal, interest, fees and reimbursement obligations shall be made without set-off or counterclaim and shall be made to the Bank, at the Payment Office of the Bank in Dollars in immediately available funds not later than 4:00 p.m., Ft. Lauderdale, Florida time, on the date on which they are payable.

(b) The Bank may, in its sole discretion while an Event of Default has occurred and is continuing, but shall not be obligated to, directly charge the Operating Accounts or one or more of the Borrower's other accounts at the Payment Office or other office of the Bank for all interest and principal payments due in respect of the Loans and all fees payable hereunder. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Agreement and to make the Loans as provided herein, the Borrower represents and warrants to the Bank as follows:

Section 4.1. Organization, Corporate Powers, etc. Each member of the Borrower Group (a) is a limited liability company or corporation duly formed, validly existing and in good standing under the laws of the State or Province in which it was formed, (b) has the organizational power and authority to own properties and to carry on its business as now being conducted, (c) is duly qualified to do business in every jurisdiction wherein the conduct of its business or the ownership of its properties are such as to require such qualification except where the failure to be qualified could not reasonably be expected to have a Material Adverse Effect, (d) has the organizational power to execute and perform each of the Loan Documents to which it is a party, (e) that is the Borrower has the power to borrow hereunder and to execute and deliver the Revolving Credit Note, and (f) is in compliance with all applicable federal, state and local laws, rules and regulations except where the failure to be in compliance could not reasonably be expected to have a Material Adverse Effect.

Section 4.2. Authorization of Borrowing, Enforceable Obligations. The execution, delivery and performance by the Borrower of this Agreement, and by each member of the Borrower Group of the other Loan Documents to which any is a party, and the borrowings by the Borrower hereunder, (a) have been duly authorized by all requisite corporate or company action, (b) will not violate or require any consent under the articles of organization, bylaws or other organizational documents of any member of the Borrower Group, except such consents as shall have been delivered to the Bank at Closing, (c) will not violate or require any consent under (i) any provision of law applicable to the Borrower Group, any governmental rule or regulation, except such consents as shall have been delivered to the Bank at Closing, or (ii) any order of any court or other agency of government binding on any member of the Borrower Group, any indenture, agreement or other instrument to which any member of Borrower Group is a party, or by which any member of the Borrower Group or any of its property is bound, except in each case for such violations which individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, and (d) will not be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrower Group other than as contemplated by this Agreement or the other Loan Documents, except in each case for such breaches and defaults which individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect. This Agreement and each other Loan Document to which any member of the Borrower Group is a party constitutes a legal, valid and binding obligation of said party, enforceable against said party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

Section 4.3. Financial Condition. The Borrower has heretofore furnished to the Bank the (a) consolidated balance sheet of the Borrower Group, the related consolidated statements of income and stockholders' equity and cash flow of the Borrower Group for the year ended December 31, 2016, audited by independent certified public accountants of recognized standing selected by the Borrower and reasonably satisfactory to the Bank (the "CPA"), and (b) unaudited consolidated balance sheet of the Borrower Group, and the related consolidated statements of income, cash flow, and stockholders' equity of the Borrower Group, compiled by Borrower's management, for the six months ended June 30, 2017. Such financial statements were prepared in conformity with GAAP consistently applied (except, with respect to the interim financial statements, for the absence of footnotes and normal year-end adjustments) and fairly present the financial position and results of operations of the Borrower Group as of the date of such financial statements and for the periods to which they relate and, since the date of such financial statements, no material adverse change in the business, operations or assets or financial condition of the Borrower Group has occurred. There are no material obligations or liabilities contingent or otherwise, of the Borrower Group which are not reflected on such statements other than obligations incurred in the ordinary course of business since the date of such financial statements.

Section 4.4. Taxes. All assessed deficiencies resulting from Internal Revenue Service examinations of the federal income tax returns of the Borrower Group have been discharged or reserved against in accordance with GAAP. The Borrower has filed or caused to be filed (after giving effect to any extensions actually filed) all federal income tax returns and all other material tax returns that are required to be filed by any member of the Borrower Group, and has paid or has caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due, except where such taxes are being contested in good faith and have been reserved for in accordance with GAAP or for which the failure to make payment would not reasonably be expected to result in a Material Adverse Effect.

Section 4.5. Title to Properties. Each member of the Borrower Group has good and marketable title to its properties and assets necessary for the conduct of its business, except for such properties and assets as have been disposed of since the date of such financial statements as no longer used or useful in the conduct of its business, as have been disposed of in the ordinary course of business or as otherwise permitted by the Loan Documents, and all such properties and assets are free and clear of all Liens, except Permitted Liens.

Section 4.6. Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the any member of the Borrower Group) pending or, to the knowledge of the Borrower, threatened against or affecting Borrower Group at law or in equity or before or by any Governmental Authority, which involve any of the Loan Documents or which, if adversely determined against any member of the Borrower Group, could reasonably be expected to result in a Material Adverse Effect; and no member of the Borrower Group is in default with respect to any judgment, writ, injunction, decree, rule or regulation of any Governmental Authority which default could reasonably be expected to result in a Material Adverse Effect.

Section 4.7. Agreements. No member of the Borrower Group is not subject to any charter or other corporate restriction or any judgment, order, writ, injunction, decree or regulation which could reasonably be expected to have a Material Adverse Effect.

Section 4.8. Compliance with ERISA. Each Plan (if any) is in material compliance with ERISA; no Plan is insolvent or in reorganization, no Plan has an Unfunded Current Liability, and no Plan has an accumulated or waived funding deficiency or permitted decreases in its funding standard account within the meaning of Section 412 of the Code; no member of the Borrower Group nor any ERISA Affiliate has incurred any material liability to or on account of a Plan pursuant to Section 4062, 4063, 4064, 4201 or 4204 of ERISA or expects to incur any liability under any of the foregoing sections on account of the termination of participation in or contributions to any such Plan, no proceedings have been instituted to terminate any Plan, no condition known to Borrower exists which presents a material risk to a member of the Borrower Group of incurring a liability to or on account of a Plan pursuant to the foregoing provisions of ERISA and the Code; no lien imposed under the Code or ERISA on the assets of the Borrower Group exists or is likely to arise on account of any Plan; and the Borrower Group may terminate contributions to any other employee benefit plans maintained by it without incurring any material liability to any person interested therein, excluding welfare benefits payable to employees or former employees of Borrower Group in the ordinary course of business.

Section 4.9. Federal Reserve Regulations; Use of Proceeds.

(a) Borrower Group is not engaged principally in, nor has as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States, as amended to the date hereof). If requested by the Bank, the Borrower will furnish to the Bank such a statement on Federal Reserve Form U-1.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or to carry margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock, or to refund indebtedness originally incurred for such purposes, or (ii) for any purpose which violates or is inconsistent with the provisions of the Regulations T, U, or X of the Board of Governors of The Federal Reserve System.

(c) The proceeds of each Loan shall be used solely for the purposes permitted under Section 3.2.

Section 4.10. Approvals. As of the Closing Date, no registration with or consent or approval of, or other action by, any Governmental Authority or any other Person is required in connection with the execution, delivery and performance of this Agreement or the other Loan Documents by the Borrower Group, except such as has been delivered by Borrower at Closing.

Section 4.11. Capitalization. As of the Closing Date, the stock of Borrower is held beneficially and of record by Aaron LoCascio and Adam Schoenfeld, which stock is validly issued, outstanding, fully paid and non-assessable (to the extent applicable). Each entity Guarantor is a direct or indirect wholly owned subsidiary of Borrower. Borrower owns beneficially all of the issued and outstanding equity interests or stock, as the case may be, of each entity Guarantor, which securities are validly issued, outstanding, fully paid and non-assessable (to the extent applicable). The equity interests of each Guarantor that is a limited liability company are uncertificated securities, and will remain such at all times this Agreement remains in effect.

Section 4.12. Hazardous Materials. To the best knowledge of the Borrower, (a) the Borrower Group is in compliance with all federal, state or local laws, ordinances, rules, regulations or policies governing Hazardous Materials, (b) Borrower Group has not used Hazardous Materials on, from, or affecting any property now owned or occupied or hereafter owned or occupied by the Borrower Group in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and (c) no prior owner of any such property or any tenant, subtenant, prior tenant or prior subtenant have used Hazardous Materials on, from, or affecting such property in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, except, in the case of clauses (a), (b) and (c) of this Section, where failure to so comply could not reasonably be expected to have a Material Adverse Effect.

Section 4.13. Investment Company Act. No member of Borrower Group is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

Section 4.14. Security Document. Each Security Document shall constitute a valid and continuing lien on and security interest in the collateral referred to in such Security Document in favor of the Bank which shall be, upon the filing of the Uniform Commercial Code financing statements and Personal Property Security Act financing statements delivered on the Closing Date on behalf of Borrower Group at the Florida Secured Transactions Registry and Ontario, to the extent such lien may be perfected by the filing of a financing statement under the applicable Uniform Commercial Code or Personal Property Security Act, prior to all other Liens, claims and right of all other Persons other than Permitted Liens, and shall be enforceable as such against all other Persons other than the holders of Permitted Liens.

Section 4.15. No Default or Event of Default. No Default or an Event of Default has occurred and is continuing.

Section 4.16. Material Contracts. Each Material Contract of any member of Borrower Group (a) is in full force and effect and is binding upon and enforceable, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, against said party, as the case may be, and, to the knowledge of the Borrower, all other parties thereto in accordance with its terms, and (b) to the knowledge of Borrower, there exists no default under any Material Contract by any member of Borrower Group or, to the knowledge of the Borrower, by any other party thereto, which in either case could reasonably be expected to have a Material Adverse Effect.

Section 4.17. Permits and Licenses. Borrower Group has all licenses, permits, franchises, or other governmental authorizations necessary to the ownership of its property or to the conduct of its activities, and shall obtain all such licenses, permits, franchises, or other governmental authorizations as may be required in the future, except where the failure to have or maintain any such license, permit, franchise or other governmental authorization could not reasonably be expected to have a Material Adverse Effect.

Section 4.18. Canadian Pension Plan and Benefit Plan Compliance. None of the Canadian Benefit Plans is a defined benefit plan or contain a defined benefit component. The Canadian Pension Plans are duly registered under the Income Tax Act (Canada) and Canadian Pension Legislation. Each member of Borrower Group and, to the best knowledge of the Borrower, each funding agent of a Canadian Benefit Plan, has complied with and performed all of its obligations under and in respect of the Canadian Benefit Plans under the terms thereof, any funding agreement and all applicable laws. All employer and employee contributions or premiums to be remitted or paid to or in respect of each Canadian Benefit Plan have been remitted or paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws. There have been no improper withdrawals or applications of the assets of any Canadian Benefit Plan, and there are no actions, suits or claims (other than routine claims for benefits) pending or threatened against any Canadian Benefit Plan or its assets, and no facts exist which could give rise to any such actions, suits or claims that might have a Material Adverse Effect.

Section 4.19. Anti-Terrorism Laws.

(a) No member of Borrower Group, nor an Affiliate of any the foregoing, is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) No member of Borrower Group, nor any Affiliate of any of the foregoing, or to her/his/its knowledge, its respective agents acting or benefiting in any capacity in connection with the Loans or other transactions hereunder, is any of the following (each a "Blocked Person"): (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; (v) a Person that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or (vi) a Person who is affiliated or associated with a person or entity listed above.

(c) No member of Borrower Group, nor to the knowledge of Borrower any of its or their agents acting in any capacity in connection with the Loans or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order.

Section 4.20. Disclosure. All information heretofore furnished in writing by the Borrower for purposes of or in connection with this Agreement or any other Loan Document was, and all such information hereafter furnished in writing by the Borrower will be, in each case considered as a whole, true and accurate in all material respects on the date as of which such information is stated or certified. Notwithstanding the forgoing, no representation or warranty is given herein with respect to any projections other than that the information contained therein was based upon good faith estimates and assumptions believed to be reasonable at the time made, it being recognized by the Bank that such projections as to future events are not to be viewed as fact and that actual results during the period or periods covered by any such projections may differ from the projected results.

ARTICLE V
CONDITIONS OF LENDING

Section 5.1. Conditions To Initial Revolving Credit Loan. The obligation of the Bank to make the initial Revolving Credit Loan hereunder is subject to the following conditions precedent:

(a) **Note.** On or prior to the Closing Date the Bank shall have received the Revolving Credit Note duly executed by the Borrower.

(b) **Other Loan Documents.** On or prior to the Closing Date, the Bank shall have received (i) the Security Documents duly executed by the Borrower and the other signatories thereto; (ii) UCC-1 financing statements and PPSA financing statements, as the case may be, from Borrower and each entity Guarantor, in a form deemed satisfactory by Bank; and (iii) each other Loan Document, duly executed by the signatories thereto.

(c) **Supporting Documents.** The Bank shall have received, on or prior to the Closing Date from each member of Borrower Group: (i) a certificate of an Executive Officer or manager, as the case may be, of such entity, dated the Closing Date and certifying (a) that attached thereto is a true and complete copy (including any amendments thereto) of the articles of incorporation, articles of organization, bylaws, and operating agreement, as the case may be, of such entity; (b) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors or managers, as the case may be, of such entity, authorizing the execution, delivery and performance of this Agreement and of each Loan Document to be delivered on the Closing Date to which it is a party and the borrowings hereunder; and (c) the incumbency and specimen signature of each Executive Officer or manager, as the case may be, of such entity executing each Loan Document and any certificates or instruments furnished pursuant hereto or thereto; and (ii) such other documents as the Bank may reasonably request.

(d) **No Material Adverse Effect.** There shall not have occurred any Material Adverse Effect since September 30, 2016.

(e) **Fees**. The Borrower shall have paid Bank (i) all reasonable, out-of-pocket and documented costs and expenses actually incurred by the Bank in connection with the negotiation, preparation and execution of the Loan Documents (including, without limitation, such costs and expenses constituting fees and expenses of counsel), and (ii) all fees set forth in Section 3.4 of this Agreement.

(f) **Assets Free from Liens.** Concurrent with or prior to the Closing, the Borrower shall deliver to the Bank UCC-3's terminating all UCC-1 financing statements filed against the assets of Borrower or any entity Guarantor evidencing Liens that are not Permitted Liens.

(g) **Insurance.** The Bank shall receive, on or prior to the Closing Date, proof of insurance covering the personal property and the business of the Borrower with coverage of at least Five Million ($5,000,000) Dollars, designating the Bank as lender loss payable with respect to business assets, lender loss payable and mortgagee with respect to real estate, and as additional insured and loss payee with respect to vehicles, in form and substance reasonably satisfactory to the Bank together with copies of the related insurance policies.

(h) **Borrowing Base Certificate.** The Bank shall have received a Borrowing Base Certificate which calculates the Borrowing Base as of August 31, 2017.

(i) **Other Information, Documentation.** The Bank shall receive such other and further information and documentation as it may reasonably require.

Section 5.2. Conditions to All Revolving Credit Loans. The obligation of the Bank to make each Revolving Credit Loan hereunder is further subject to the following conditions precedent:

(a) **Representations and Warranties.** The representations and warranties by the Borrower pursuant to this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the Borrowing Date, with the same effect as though such representations and warranties had been made on and as of such date unless such representation is as of a specific date, in which case, as of such date.

(b) **No Default.** No Default or Event of Default shall have occurred and be continuing on the Borrowing Date or will result after giving effect to the Loan requested.

Each borrowing hereunder shall constitute a representation and warranty of the Borrower that the statements contained in clauses (a) and (b) of this Section 5.2 are true and correct on and as of the Borrowing Date as though such representation and warranty had been made on and as of such date.

ARTICLE VI
AFFIRMATIVE COVENANTS

Until the Commitment Period has expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, Borrower covenants and agrees with the Bank that each member of the Borrower Group will:

Section 6.1. Corporate Existence, Properties, etc. Do or cause to be done all things necessary to preserve and keep in full force and effect its corporate or company existence and rights and comply with all laws applicable to it; at all times maintain, preserve and protect all trade names necessary for the operation of its business and preserve all of its property necessary in the conduct of its business and keep the same in good repair, working order and condition (normal wear and tear excepted), and from time to time make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments and improvements thereto so that the business carried on in connection therewith may be properly conducted at all times; at all times keep its insurable properties adequately insured and maintain (a) insurance to such extent and against such risks, including fire, as Borrower has in place on the Closing Date, (b) workmen's compensation insurance in the amount required by applicable law, (c) public liability insurance as Borrower Group has in place on the Closing Date, against claims for personal injury or death on properties owned, occupied or controlled by it, (d) such other insurance as may be required by law or as may be reasonably required by the Bank. Each such policy of insurance of the Borrower Group shall name the Bank as lender loss payable with respect to business assets, lender loss payable and mortgagee with respect to real estate, and as additional insured and loss payee with respect to vehicles, and shall provide for at least thirty (30) days' prior written notice (or, with respect to non-payment, at least ten (10) days' prior written notice) to the Bank of any modification or cancellation of such policies. The Borrower shall provide to the Bank promptly upon receipt thereof evidence of the annual renewal of each such policy.

Section 6.2. Payment of Indebtedness, Taxes, etc.

(a) Pay all Indebtedness and obligations, now existing or hereafter arising, as and when due and payable, except where (i) the validity, amount, or timing thereof is being contested in good faith and by appropriate proceedings, which proceedings shall include good faith negotiations, (ii) the Borrower has set aside on its books adequate reserves with respect thereto in accordance with GAAP, and (iii) the failure to make such payment pending such contest could not reasonably be expected to have a Material Adverse Effect.

(b) Pay and discharge or cause to be paid and discharged promptly all taxes, assessments and government charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that the Borrower shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings (which proceedings may include good faith negotiations), and the Borrower, shall have set aside on its books adequate reserves determined in accordance with GAAP with respect to any such tax, assessment, charge, levy or claim so contested or the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

Section 6.3. Financial Statements, Tax Returns, Reports, etc.: Furnish to the Bank:

(a) within one hundred twenty (120) days of the end of each calendar year, commencing with the calendar year ending December 31, 2017, the consolidated and consolidating, unqualified financial statements of the Borrower Group which shall include the balance sheet of the Borrower Group as of the end of such fiscal year, together with the statements of income, cash flow and stockholders' equity for the Borrower Group subsidiaries for such fiscal year and as of the end of and for the prior fiscal year, all prepared in accordance with GAAP. The foregoing financial statements shall be audited by the CPA;

(b) within forty-five (45) days of the end of each calendar quarter, the management-prepared and Executive Officer-certified consolidated and consolidating financial statements of the Borrower Group which shall include the balance sheet of the Borrower Group as of the end of such quarter, together with the statements of income, cash flow and stockholders' equity for the Borrower Group for such quarter and as of the end of and for the prior fiscal year, all prepared in accordance with GAAP (except for the absence of footnotes and normal year-end adjustments);

(c) within forty-five (45) days of the end of each calendar quarter, the management-prepared and Executive Officer-certified compliance certificate which shall include covenant calculations and such other information as may be reasonably requested by the Bank;

(d) within fifteen (15) days of the end of each month, a Borrowing Base Certificate with the requisite supporting documentation as required thereby;

(e) within fifteen (15) days of the end of each month, a report setting forth the aging of Eligible Receivables, Eligible Inventory and accounts payable;

(f) tax returns for each of Aaron LoCascio and Adam Schoenfeld, within thirty (30) days of the date the individual in question files his tax returns. If a tax filing extension is filed, a copy thereof shall be provided to the Bank promptly;

(g) within sixty (60) days of the end of each calendar year, a personal financial statement and liquid asset statement for each of Aaron Locascio and Adam Schoenfeld; and

(h) within fifteen (15) days of the request, from time to time, such other material information regarding the operations, business affairs and condition, financial or otherwise, of the Borrower Group as the Bank may reasonably request.

Section 6.4. Field Exam, Appraisals and Access to Premises and Records. Maintain financial records in accordance with GAAP and permit representatives of the Bank to conduct annual field exams and inventory appraisals (at Borrower's expense) during which the Bank shall have access during normal business hours to the premises of the Borrower Group upon reasonable request, to examine and make excerpts from the minute books, books of accounts, reports and other records and to discuss the affairs, finances and accounts of the Borrower Group with its Executive Officers or with its CPA, and to conduct such additional field audits at the Borrower's expense, as such representatives reasonably deem necessary.

Section 6.5. Notice of Adverse Change. Promptly notify the Bank in writing of (a) any change in the business or the operations which, in the good faith judgment of Borrower's Executive Officers, could reasonably be expected to have a Material Adverse Effect, disclosing the nature thereof, and (b) any information which indicates that any financial statements which are the subject of any representation contained in this Agreement, or which are furnished to the Bank pursuant to this Agreement, failed, in any material respect, to present fairly the financial condition and results of operations purported to be presented therein for the period covered thereby, disclosing the nature thereof.

Section 6.6. Notice of Default. Promptly notify the Bank of any Default or Event of Default which shall have occurred, which notice shall include a written statement as to such occurrence, specifying the nature thereof and the action which is proposed to be taken with respect thereto.

Section 6.7. Notice of Litigation. Give the Bank prompt written notice of any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency (not previously disclosed to the Bank on or before the Closing Date) which, if adversely determined against the Borrower Group on the basis of the allegations and information set forth in the complaint or other notice of such action, suit or proceeding, or in the amendments thereof, if any, could reasonably be expected to either (a) have a Material Adverse Effect; or (b) result in a judgment in excess of Five Hundred Thousand ($500,000) Dollars.

Section 6.8. ERISA. Promptly deliver to the Bank a certificate by an Executive Officer of Borrower setting forth details as to such occurrence and such action, if any, which the Borrower Group or such ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given to or filed with or by the Borrower Group, ERISA Affiliate, the PBGC, a Plan participant or the Plan Administrator, with respect thereto: that a Reportable Event has occurred, that an accumulated funding deficiency has been incurred or an application may be or has been made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan, that a Plan has been or may be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA, that a Plan has an Unfunded Current Liability giving rise to a lien under ERISA, that proceedings may be or have been instituted to terminate a Plan, that a proceeding has been instituted pursuant to Section 515 of ERISA to collect a delinquent contribution to a Plan, or that the Borrower Group or any ERISA Affiliate will or may incur any liability (including any contingent or secondary liability) to or on account of the termination of or withdrawal from a Plan under Section 4062, 4063, 4064, 4201 or 4204 of ERISA. The Borrower will deliver to the Bank a complete copy of the annual report (Form 5500) of each Plan required to be filed with the Internal Revenue Service. In addition to any certificates or notices delivered to the Bank pursuant to the first sentence hereof, copies of annual reports and any other notices received by the Borrower Group required to be delivered to the Bank hereunder shall be delivered to the Bank no later than ten (10) days after the later of the date such report or notice has been filed with the lnternal Revenue Service or the PBGC, given to Plan participants or received by the Borrower Group.

Section 6.9. Default in Other Agreements. Promptly notify the Bank of any default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which any member of Borrower Group is a party which could reasonably be expected to have a Material Adverse Effect.

Section 6.10. Banking Relationship. Maintain its primary commercial banking relationship with the Bank, including depository and treasury management services, provided, however, the Borrower Group may maintain secondary commercial banking relationships with other banks.

Section 6.11. Preservation of Business. Keep its business and properties necessary for the conduct of its business intact in all material respects (normal wear and tear excepted), including its present operations, physical facilities, working conditions, and relationships with suppliers and clients.

Section 6.12. Compliance with Laws; Pension Plans and Benefit Plans.

(a) For each existing, or hereafter adopted, Canadian Benefit Plan, Borrower Group shall comply with and perform in all material respects all of its obligations under and in respect of the Canadian Benefit Plans under the terms thereof, any funding agreement and all applicable laws.

(b) All employer and employee contributions or premiums to be remitted or paid to or in respect of each Canadian Benefit Plan shall be remitted or paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws.

(c) The Borrower shall deliver to the Bank (i) if requested by the Bank, copies of annual information returns, actuarial reports or other valuations with respect to a Canadian Pension Plan filed with any applicable Governmental Authority; (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that Borrower Group may receive from any applicable Governmental Authority with respect to any Canadian Pension Plan; (iii) notification within 30 days of any increases having a cost to the Borrower Group in excess of $100,000 per annum in the aggregate, in the cost of providing the Canadian Benefit Plans, including the establishment of any new Canadian Benefit Plan, or the commencement of contributions to any such plan to which Borrower Group was not previously contributing; and (iv) notification, as soon as possible and in any event within 30 days, after Borrower knows or has reason to know in the ordinary course of its business procedures that any of the following events or conditions have occurred or exist, setting forth details respecting such event or condition and the action, if any, which the Borrower proposes to take with respect thereto: (A) the institution by a pension regulator of proceedings under Canadian Pension Legislation for the termination, or the appointment of an administrator, of a Canadian Pension Plan, or the occurrence of any event or condition which constitutes grounds under applicable laws for the termination of, or the appointment of an administrator to administer, a Canadian Pension Plan; (B) the withdrawal by the any member of the Borrower Group from a MEPP, or the receipt by the Borrower Group of information to the effect that a MEPP will terminate or has terminated; (C) any occurrence or event that results, or could reasonably be expected to result, in the loss of a Canadian Pension Plan's registered status; (D) the failure to satisfy funding requirements under Canadian Pension Legislation; (E) the cessation of operations at a facility where employees participating in a Canadian Pension Plan are employed; and (F) the occurrence of an act or omission which is reasonably likely to give rise to the imposition on Borrower Group of fines, penalties, taxes or related charges under Canadian Pension Legislation or the Income Tax Act (Canada).

Section 6.13. Further Assurances. Upon the request of the Bank from time to time, the Borrower shall, at its expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be reasonably necessary to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral (as defined in the Security Agreements) and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Loan Documents.

ARTICLE VII
NEGATIVE COVENANTS

Until the Commitment Period has expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, Borrower covenants and agrees with the Bank that no member of Borrower Group will:

Section 7.1. Liens. lncur, create, assume or suffer to exist any Lien on any of its assets now or hereafter owned, other than the following (collectively, "Permitted Liens"):

(a) pledges or deposits, in a total amount that shall not exceed One Hundred Thousand ($100,000) Dollars without Bank's prior written consent, under workmen's compensation, unemployment insurance and social security laws or to secure statutory obligations or surety or appeal bonds or to secure indemnity, performance or other similar bonds in the ordinary course of business;

(b) Liens for taxes, assessments, fees or other governmental charges or the claims of material men, mechanics, carriers, warehousemen, landlords and other similar persons, the payment of which is not overdue or is being contested in good faith by appropriate proceedings (which may include good faith negotiations) (provided that the Borrower has set aside on its books adequate reserves with respect thereto in accordance with GAAP (if any are so required), consistently applied, or for which the failure to make payment could not reasonably be expected to result in a Material Adverse Effect;

(c) Liens granted to the Bank and any of its Affiliates, including renewals and extensions thereof;

(d) Liens for property or equipment that is leased or financed by the Borrower Group (i.e., purchase money indebtedness);

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 8.1 (h);

(f) easements, zoning restrictions, rights of way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower Group;

(g) unperfected Liens relating to trade payables for amounts which are not past due, attaching only to inventory purchased and which are granted to account creditors from whom the Borrower Group has purchased inventory in the ordinary course of business;

(h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs, duties and taxes in the ordinary course of business;

(i) Liens on insurance policies and the proceeds thereof securing the financing of the premiums; and

(j) Liens incidental to the conduct of the Borrower Group's business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially detract from or impair the Bank's rights in and to the Collateral (as defined in the Security Agreements) or the value of the Borrower Group's property or assets or which do not materially impair the use thereof in the operation of the Borrower Group's business.

Section 7.2. Indebtedness. Incur, create, assume or suffer to exist or otherwise become liable with respect to any Indebtedness, other than: (a) Indebtedness to the Bank and any of its Affiliates, including renewals and extensions thereof, (b) Subordinated Debt including renewals and extensions thereof, (c) indebtedness with respect to Capital Leases, (d) Indebtedness incurred as a result of Borrower entering into non-speculative Hedge Agreements or any similar transactions used to hedge or mitigate risk, (e) unsecured Indebtedness consisting of obligations owed to trade creditors arising in the ordinary course of business and other obligations to employees, obligations to providers of utility services and obligations for taxes and similar types of Indebtedness evidencing obligations related to the day-to-day operation of the Borrower Group, (f) purchase money Indebtedness, and (g) Indebtedness between Borrower and any Guarantor.

Section 7.3. Guaranties. Guarantee, endorse, become surety for, or otherwise in any way become or be responsible for the Indebtedness or obligations of any Person (other than Indebtedness permitted under Section 7.2), whether by agreement to maintain working capital or equity capital or otherwise maintain the net worth or solvency of any Person or by agreement to purchase the Indebtedness of any other Person, or agreement for the furnishing of funds, directly or indirectly, through the purchase of goods, supplies or services for the purpose of discharging the Indebtedness of any other Person or otherwise, or enter into or be a party to any contract for the purchase of merchandise, materials, supplies or other property if such contract provides that payment for such merchandise, materials, supplies or other property shall be made regardless of whether delivery of such merchandise, supplies or other property is ever made or tendered.

Section 7.4. Sale of Assets. Sell, assign, lease, transfer or otherwise dispose of any of its now owned or hereafter acquired properties and assets, whether or not pursuant to an order of a federal agency or commission, except for (a) the sale of inventory disposed of in the ordinary course of business, (b) the sale or other disposition of properties or assets no longer used or useful in the conduct of its businesses, (c) sales, transfers and dispositions to Affiliates not prohibited hereunder, (d) sales, transfers, discounts and dispositions permitted by Section 7.5, and (e) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower Group thereof.

Section 7.5. Sales of Notes. Sell, transfer, discount or otherwise dispose of notes, accounts receivable or other obligations owing to the Borrower Group, with or without recourse, except for collection in the ordinary course of business, without the prior written consent of Bank.

Section 7.6. Nature of Business. Change or alter the nature of its business, in any material respect, from the nature of the business engaged in by it on the date hereof and businesses reasonably related thereto.

Section 7.7. Federal Reserve Regulations. Permit any Loan or the proceeds of any Loan to be used for any purpose which violates or is inconsistent with the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

Section 7.8. Accounting Policies and Procedures; Tax Status. (a) Permit any change in the accounting policies and procedures of the Borrower Group, including a change in fiscal year, without the prior written consent of the Bank; provided, however, that any policy or procedure required to be changed by the FASB (or other board or committee of the FASB in order to comply with GAAP) may be so changed without the consent of the Bank, or (b) permit any change or take any action to change its tax status under the Code of the Borrower Group.

Section 7.9. Limitations on Fundamental Changes. Merge or consolidate with, or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now or hereafter acquired) to any Person, or, liquidate, wind up or dissolve or suffer any liquidation or dissolution, or suffer to exist a Change of Control.

Section 7.10. Minimum Fixed Charge Coverage Ratio. Permit Borrower Group's Fixed Charge Coverage Ratio to be less than 1.25, as tested on March 31st, June 30th, September 30th, and December 31st of each year during the Commitment Period. Testing will be performed using Borrower Group's financial statements for the trailing four (4) quarter period ending on the testing day. Testing shall commence with the period ending December 31, 2017.

Section 7.11. Transactions with Affiliates. Other than as otherwise set forth herein, enter into any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate, except in the ordinary course of business and upon fair and reasonable terms no less favorable to the Borrower Group than it would obtain in a comparable arms-length transaction with a Person not an Affiliate. For purposes of this Section 7.11, "Affiliate" does not include Niche Fishing Charters LLC, a Florida limited liability company.

Section 7.12. Anti-Terrorism Laws. (a) Conduct any business or engage in any transaction or dealing with any Blocked Person, including making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order, the USA Patriot Act or any other Anti-Terrorism Law. The Borrower shall deliver to the Bank any certification or other evidence requested from time to time by the Bank in its sole discretion, confirming the Borrower Group's compliance with this Section 7.12.

Section 7.13. Compliance with Pension and Benefit Plans. Establish any new Canadian Pension Plan which is a defined benefit plan or which contains a defined benefit component. Borrower Group shall not permit pension or other employee benefit plan obligation and liabilities to remain unfunded other than in accordance with applicable law. Borrower Group shall not voluntarily terminate any Canadian Pension Plan which is a defined benefit plan or which contains a defined benefit component.

ARTICLE VIII
EVENTS OF DEFAULT

Section 8.1. Events of Default. In the case of the happening of any of the following events (each an "Event of Default"):

(a) failure by the Borrower to pay the principal of or any interest on any Loan or any fees or other amounts payable under this Agreement or any other Loan Document;

(b) default shall be made in the due observance or performance any covenant, condition or agreement of the Borrower to be performed pursuant to this Agreement or of the Borrower or its Affiliates to be performed pursuant to any other Loan Document;

(c) any representation or warranty made or deemed made in this Agreement or any other Loan Document shall prove to be false or misleading in any material respect when made or given or when deemed made or given;

(d) any written report, certificate, financial statement or other instrument furnished in connection with this Agreement or any other Loan Document or the borrowings hereunder, shall prove to be false or misleading in any material respect when made or given or when deemed made or given;

(e) default in the performance or compliance in respect of any agreement or condition relating to any Indebtedness of the Borrower Group (other than the Indebtedness created under this Agreement), individually or in the aggregate, with a then-outstanding principal balance of One Hundred Thousand ($100,000) Dollars, if the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holder or obligee thereof (or a trustee on behalf of such holder or obligee) to cause such Indebtedness to become due prior to the stated maturity thereof;

(t) any member of Borrower Group shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the employment of a receiver, trustee, custodian, or similar official for any member of Borrower Group or for a substantial part of its property; (iv) file an answer admitting the material allegations of a petition filed against it in such proceeding, (v) make a general assignment for the benefit of creditors, (vi) take corporate action for the purpose of effecting any of the foregoing, (vii) become unable or admit in writing its inability or fail generally to pay its debts as they become due or (viii) take corporate action for the purpose of effecting any of the foregoing;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any member of the Borrower Group or of a substantial part of its property under Title 11 of the United States Code or any other federal or state bankruptcy insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, or similar official for any member of the Borrower Group or for a substantial part of its property, or (iii) the winding-up or liquidation of any member of the Borrower Group and such proceeding or petition shall continue undisrnissed for ninety (90) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for ninety (90) days;

(h) One or more orders, judgments or decrees for the payment of money not covered by insurance shall be rendered against a member of Borrower Group and the same shall not have been paid in accordance with such judgment, order or decree, which by itself or together with all other such judgments is in excess of One Hundred Thousand ($100,000) Dollars, and either (i) an enforcement proceeding shall have been commenced by any creditor upon such judgment, order or decree, or (ii) there shall have been a period of forty-five (45) consecutive days during which a stay of enforcement of such judgment, order or decree, by reason of pending appeal or otherwise, was not in effect;

(i) any Plan shall fail to maintain the minimum funding standard required for any Plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code, any Plan is the subject of termination proceedings under ERISA, any Plan shall have an Unfunded Current Liability, a Reportable Event shall have occurred with respect to a Plan or the Borrower Group or any ERISA Affiliate shall have incurred a liability in excess of Five Hundred Thousand ($500,000) Dollars to or on account of a Plan under Section 515, 4062, 4063, 4063, 4201 or 4204 of ERISA, and there shall result from any such event or events the imposition of a lien upon the assets of the Borrower Group, the granting of a security interest, or a liability to the PBGC or a Plan or a trustee appointed under ERISA or a penalty under Section 4971 of the Code;

(j) any Loan Document or any material provision thereof shall for any reason cease to be in full force and effect in accordance with its terms or a member of the Borrower Group shall so assert in writing;

(k) any of the Liens purported to be granted pursuant to any Security Document shall cease for any reason to be legal, valid and enforceable liens on the collateral purported to be covered thereby or shall cease to have the priority purported to be created thereby, unless such Lien has been released by the Bank in accordance with the terms and conditions hereof or as a result of the failure of the Bank to file UCC continuation statements after notice from the Borrower to file same;

(l) any Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of a Guaranty, or any Guarantor shall fail to comply with any of the terms or provisions of the Guaranty to which it is a party;

then, at any time thereafter during the continuance of any such event, the Bank may, in its sole discretion, without notice to the Borrower, take any or all of the following actions, at the same or different times, (x) (a) terminate the Commitment and the Loans and (b) declare (i) the Revolving Credit Note, both as to principal and interest, and (ii) all other Obligations, to be forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Revolving Credit Note to the contrary notwithstanding and (y) exercise any or all of the rights and remedies afforded to the Bank by the Uniform Commercial Code, the Personal Property Security Act or otherwise possessed by the Bank; provided, however, that if an event specified in Section 8.1(f) or (g) shall have occurred, the Commitments and the Loans shall automatically terminate and interest, principal and amounts referred to in the preceding clauses (i) and (ii) shall be immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived, anything contained herein or in the Revolving Credit Note to the contrary notwithstanding.

ARTICLE IX
MISCELLANEOUS

Section 9.1. Notices. Any notice or other communication shall be in writing and shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which it was delivered to such party at the address set forth below, or, if sent by email, when actually received, or, if sent by registered or certified mail, on the third Business Day after the day on which it was mailed in the United States, addressed to such party at the address set forth below:

(a) if to the Bank, at:

Fifth Third Bank
2333 Ponce de Leon Blvd, Suite 303
Coral Gables, FL 33134
Attention: Vivian Alvarez Premock, Senior Vice President
Email: Vivian.Premock@53.com

With copies to:

Dickinson Wright PLLC
350 East Las Olas Boulevard, Ste. 1750
Fort Lauderdale, FL 33301
Attention: Clint J. Gage, Esq.
Email: cgage@dickinsonwright.com

(b) if to the Borrower, at:

Jacoby & Co. Inc.
6501 Park of Commerce Blvd., Suite 200
Boca Raton, FL 33487
Attention: Aaron LoCascio, Chief Executive Officer
Email: Aaron@gnln.com

With copies to:

Pryor Cashman LLP
7 Times Square
New York, NY 10036
Attention: Jeffrey C. Johnson, Esq.
Email: jjohnson@pryorcashman.com

as to each such party at such other address as such party shall have designated to the other in a written notice complying as to delivery with the provisions of this Section 9.1.

Section 9.2. Effectiveness; Survival of Agreement. This Agreement shall become effective on the date on which all parties hereto shall have signed a counterpart copy hereof and shall have delivered the same to the Bank. All covenants, agreements, representations and warranties made herein and in the other Loan Documents and in the certificates delivered pursuant hereto or thereto shall survive the making by the Bank of the Loans herein contemplated and the execution and delivery to the Bank of the Revolving Credit Note evidencing the Loans and shall continue in full force and effect so long as any Note is unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Bank. The Borrower may not assign or transfer any of its interest under this Agreement, the Revolving Credit Note, or any other Loan Document without the prior written consent of the Bank. The obligations of the Borrower pursuant to Section 9.3 and Section 9.10 shall survive termination of this Agreement and payment of the Obligations.

Section 9.3. Expenses of the Bank. The Borrower agrees (a) to indemnify, defend and hold harmless the Bank and its officers, directors, employees, agents, advisors and affiliates (each, an "indemnified person") from and against any and all losses, claims, damages, liabilities or judgments to which any such indemnified person may be subject and arising out of or in connection with the Loan Documents, the financings contemplated hereby, the use of any proceeds of such financings or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any of such indemnified persons is a party thereto, and to reimburse each of such indemnified persons upon notice and demand for any reasonable, out-of-pocket and documented expenses, including such expenses constituting legal fees, actually incurred in connection with the investigation or defending any of the foregoing; provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities, judgments or related expenses to the extent arising from the breach of contract, willful misconduct or gross negligence of such indemnified person; and (b) to reimburse the Bank from time to time, upon notice and demand, all reasonable, out-of-pocket and documented expenses (including such expenses of its due diligence investigation, along with disbursements and reasonable fees of counsel) actually incurred in connection with the financings contemplated under this Agreement (except where the Bank has specifically agreed herein to incur non-reimbursable expenses), the preparation, execution and delivery of this Agreement and the other Loan Documents, any amendments and waivers hereof or thereof, the security arrangements contemplated thereby and the enforcement thereof.

Section 9.4. No Waiver of Rights by the Bank. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder or under the Revolving Credit Note or any other Loan Document shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege.

Section 9.5. Submission to Jurisdiction; Jury Waiver. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT IN THE STATE OF FLORIDA, COUNTY OF MIAMI-DADE, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST IT AND RELATED TO OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER HEREBY WAIVES AND AGREES NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER, OR THAT THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY OTHER DOCUMENT OR INSTRUMENT REFERRED TO HEREIN OR THEREIN WHERE THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS. THE BORROWER AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT BY CERTIFIED OR REGISTERED MAIL TO THE ADDRESS FOR NOTICES SET FORTH IN THIS AGREEMENT OR ANY METHOD AUTHORIZED BY THE LAWS OF FLORIDA. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE REVOLVING CREDIT NOTE OR ANY OTHER LOAN DOCUMENT.

Section 9.6. Extension of Maturity. Except as otherwise expressly provided herein, whenever a payment to be made hereunder shall fall due and payable on any day other than a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall be included in computing interest.

Section 9.7. Modification of Agreement. No modification or amendment or waiver of any provision of this Agreement, the Revolving Credit Note, or any other Loan Document shall in any event be effective unless the same shall be in writing and signed by the Bank and the Borrower, and no waiver of any provision of this Agreement, the Revolving Credit Note, or any other Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstance unless required by the terms of this Agreement.

Section 9.8. Severability. In case any one or more of the provisions contained in this Agreement, the Revolving Credit Note, or in any other Loan Document should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 9.9. Sale of Participations; Assignments. The Bank reserves the right to sell participations in the Loans to such banks, lending institutions or other parties as it may choose with notice to the Borrower. The Bank reserves the right to sell and assign its rights, duties or obligations with respect to the Loans to such banks, lending institutions or other parties as it may choose but only with the prior written consent of the Borrower not to be unreasonably withheld or delayed (provided that no such consent of the Borrower shall be required if an Event of Default shall have occurred and be continuing). The Bank may furnish any information concerning the Borrower in its possession from time to time to any assignee or participant (or proposed assignee or participant), provided that the Bank shall notify any such assignee or participant (or proposed assignee or participant) in connection with any contemplated participation in, or assignment of, the Loans, that such information is confidential and shall obtain an agreement from such transferee or participant requiring that such transferee or participant treat such information as confidential and use commercially reasonable efforts to maintain the confidentiality of same.

Section 9.10. Reinstatement; Certain Payments. If claim is ever made upon the Bank for repayment or recovery of any amount or amounts received by the Bank in payment or on account of any of the Obligations under this Agreement, the Bank shall give prompt notice of such claim to the Borrower, and if the Bank repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over the Bank or any of its property, or (b) any settlement or compromise of any such claim effected by the Bank with any such claimant, then and in such event the Borrower agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Borrower notwithstanding the cancellation of the Revolving Credit Note or other instrument evidencing the Obligations under this Agreement or the termination of this Agreement, and the Borrower shall be and remain liable to the Bank hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by the Bank.

Section 9.11. Right of Setoff. If an Event of Default shall have occurred and be continuing, the Bank and each other Affiliate of the Bank are each hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and ether indebtedness at any time owing by the Bank to or for the credit or the account of the Borrower against any and all the Obligations. The rights of the Bank under this Section 9.11 are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have.

Section 9.12. Confidentiality. The Bank agrees to take normal and reasonable precautions to maintain the confidentiality of any non-public information relating to the Borrower or its business, other than any such information that is available to the Bank on a non-confidential basis prior to disclosure by the Borrower, except that such information may be disclosed (a) to any Affiliate, director, officer, employee, agent, advisor, legal counsel, consultants or other representatives of the Bank, on a confidential basis with, in each case, a need to know such information in connection with the transactions contemplated by this Agreement, (b) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (c) to the extent requested by any regulatory agency or authority purporting to have jurisdiction over it (including any self-regulatory authority such as the National Association of Insurance Commissioners), (d) to the extent that such information becomes publicly available other than as a result of a breach of this Section, or which becomes available to the Bank or any Affiliate, director, officer, employee, agent, advisor, legal counsel, consultants or other representatives of the Bank on a non-confidential basis from a source other than the Borrower or any Affiliate thereof, (e) in connection with the exercise of any remedy hereunder or under any other Loan Documents or any suit, action or proceeding relating to this Agreement or any other Loan Documents or the enforcement of rights hereunder or thereunder, (f) subject to execution by such Person of an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, or (ii) any actual or prospective party to any swap or derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, or (g) with the prior written consent of the Borrower.

Section 9.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart to this Agreement by facsimile transmission or by electronic mail shall be as effective as delivery of a manually executed counterpart hereof.

Section 9.14. Headings. Section headings used herein are for convenience of reference only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

Section 9.15. Construction. This Agreement is the result of negotiations between, and has been reviewed by, the Borrower and the Bank and their respective counsel. Accordingly, this Agreement shall be deemed to be the product of each party hereto, and no ambiguity shall be construed in favor of or against either the Borrower or the Bank.

Section 9.16. USA PATRIOT Act; Anti-Money Laundering Legislation . Borrower acknowledges that, pursuant to the Anti-Terrorism Laws, and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, whether within the United States, Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Bank may be required to obtain, verify and record information regarding Borrower, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of Borrower, and the transactions contemplated hereby. Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

Section 9.17. Judgment Currency. If for the purpose of obtaining a judgment in any court it is necessary to convert any amount owing or payable to Bank under this Agreement or any Loan Document from the currency in which it is due (the "Agreed Currency" into a particular currency (the "Judgment Currency"), the rate of exchange applied in that conversion shall be that at which Bank, in accordance with its normal procedures, could purchase the Agreed Currency with the Judgment Currency at or about noon on the Business Day immediately preceding the date on which judgment is given. The obligation of the Borrower in respect of any amount owing or payable under this Agreement to Bank in the Agreed Currency shall, notwithstanding any judgment and payment in the Judgment Currency, be satisfied only to the extent that the Bank, in accordance with its normal procedures, could purchase the Agreed Currency with the amount of the Judgment Currency so paid at or about noon on the next Business Day following that payment; and if the amount of the Agreed Currency which the Bank could so purchase is less than the amount originally due in the Agreed Currency the Borrower shall, as a separate obligation and notwithstanding the judgment or payment, indemnify Bank against any loss.

Section 9.18. Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida without giving effect to principles of conflict or choice of laws.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Borrower and the Bank have caused this Agreement to be duly executed by their duly authorized officers, as of the day and year first above written.

FIFTH THIRD BANK

By: /s/ Vivian Alvarez Premock
Name: Vivian Alvarez Premock
Title: Senior Vice President

JACOBY & CO. INC.
By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

EXHIBIT A

FORM OF REVOLVING CREDIT NOTE

REVOLVING CREDIT NOTE

$8,000,000 October 4, 2017

FOR VALUE RECEIVED, JACOBY & CO. INC., a Nevada corporation (the "Borrower") promises to pay to the order of FIFTH THIRD BANK, an Ohio Banking Corporation (the "Bank"), on or before the Commitment Termination Date, EIGHT MILLION ($8,000,000) DOLLARS or, if less, the unpaid principal amount of all Revolving Credit Loans made by the Bank to the Borrower under the Credit Agreement referred to below.

Accrued interest on the principal balance from time to time outstanding under this Note shall be payable monthly, commencing on November 4, 2017, and continuing on the 4th day of each month thereafter.

This Note is the "Revolving Credit Note" referred to in that certain Credit Agreement dated as of October 4, 2017, between the Borrower and the Bank (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement") and is issued pursuant to and entitled to the benefits of the Credit Agreement to which reference is hereby made for a more complete statement of the terms and conditions under which the Revolving Credit Loans evidenced hereby were made and are to be repaid. Capitalized terms used herein without definition shall have the meanings set forth in the Credit Agreement.

The Bank shall record the date and amount of each Revolving Credit Loan and the date and amount of each payment or prepayment of principal of each Revolving Credit Loan on the grid schedule annexed to this Note; provided, however, that the failure of the Bank to set forth such Revolving Credit Loans, payments and other information on the attached grid schedule shall not in any manner affect the obligation of the Borrower to repay the Revolving Credit Loans made by the Bank in accordance with the terms of this Note.

This Note is subject to prepayment as provided in Section 3.3 of the Credit Agreement. Subject to the immediately preceding sentence, no reference herein to the Credit Agreement and no provision of this Note or the Credit Agreement shall alter or impair the obligation of the Borrower, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, at the respective times, and in the currency herein prescribed.

Upon the occurrence and during the continuance of an Event of Default, the unpaid balance of the principal amount of this Note together with all accrued but unpaid interest thereon, may become, or may be declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Credit Agreement.

All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America in immediately available funds at the Payment Office of the Bank, or in such other manner in accordance with the terms of the Credit Agreement and the Loan Documents.

The Borrower waives presentment, demand, protest, and notice of any kind in connection with this Note.

THIS NOTE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

[SIGNATURE ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place first above written.

JACOBY & CO. INC.

By: _____
Name: Aaron LoCascio
Title: Co-President

SCHEDULE OF LOANS

Date of Loan	Principal Amount of Loan	Interest Rate	Amount of Principal Paid	Notation Made by

EXHIBIT B

NOTICE OF REVOLVING CREDIT LOAN BORROWING

[Date]

Fifth Third Bank
2333 Ponce de Leon Blvd., Suite 303
Coral Gables, FL 33134
Attention: Vivian Alvarez Premock, South Florida Middle Market – Team Lead

Re: **JACOBY & CO. INC.**

Gentlemen:

Pursuant to the Credit Agreement dated as of October 4, 2017 (as the same may have been and may hereafter be amended, modified or supplemented the "Credit Agreement") by and between the undersigned Borrower and the Bank, the Borrower hereby gives the Bank notice that Borrower requests a Revolving Credit Loan as follows:

1. The requested Borrowing Date is _____,

2. The amount of the requested borrowing is $_____, which shall be deposited into the Operating Account (as designated by Borrower from time to time) on _____ (date).

The Borrower hereby certifies that (i) the representations and warranties contained in the Credit Agreement and the other Loan Documents are true, correct and complete in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except for such representations and warranties that are made as of a specific date; (ii) no Default or Event of Default has occurred and is continuing under the Credit Agreement or will result after giving effect to the Loan requested hereunder; and (iii) the amount of the proposed borrowing hereunder will not cause the aggregate outstanding principal amount of Revolving Credit Loans (after giving effect to the proposed borrowing requested hereunder) to exceed the lesser of the Commitment or the Borrowing Base set forth in the last Borrowing Base Certificate delivered to the Bank.

Capitalized terms used herein but not defined shall have the respective meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, Borrower has caused this document to be executed and delivered by its Executive Officer as of the date written above.

JACOBY & CO. INC.

By: _____
Name: _____
Title: _____

Exhibit 10.7

OMNIBUS AMENDMENT NO. 1
TO
CREDIT AGREEMENT, GUARANTIES, AND SECURITY AGREEMENTS

This Amendment No. 1 to Credit Agreement, Guaranties, and Security Agreements (the "Amendment"), effective as of August 23, 2018, is by and among Greenlane Holdings, LLC, a Delaware limited liability company (formerly known as Jacoby Holdings LLC) (the "Borrower"), Jacoby & Co. Inc., a Nevada corporation (the "Company"), Mid-Atlantic Holdings Group LLC, a Delaware limited liability company ("Mid"), BioVapor Solutions LLC, a Delaware limited liability company ("Bio"), MSI Imports LLC, a Washington limited liability company ("MSI"), Aerospaced LLC, a Florida limited liability company ("Aero"), Warehouse Goods LLC, a Delaware limited liability company ("Warehouse"), Quick Draw Holdings, Inc., a Delaware corporation ("Quick Draw"), GS Fulfillment LLC, a Delaware limited liability company ("GS"), HS Products LLC, a Delaware limited liability company ("HS"), QD Products, LLC, a Delaware limited liability company ("QD" and together with the Borrower, the Company, Mid, Bio, MSI, Aero, Warehouse, Quick Draw, GS, and HS, the "Borrower Parties"), and Fifth Third Bank, an Ohio Banking Corporation (the "Bank").

RECITALS

A. The Bank and the Company are parties to a Credit Agreement dated as of October 4, 2017 (the "Agreement").

B. The Company has restructured the organization of the Company and its affiliated entities.

C. In connection therewith, the Bank and the Borrower Parties desire to amend the Agreement and certain other Loan Documents in the manner hereinafter provided.

AGREEMENT

1. DEFINITIONS. Capitalized terms used but not defined in this Amendment shall have the respective meanings given to them in the Agreement.

2. AMENDMENTS TO THE AGREEMENT.

(a) The definition of "Borrower" in the Agreement is hereby amended and restated to read as follows:

> ""Borrower" shall mean GREENLANE HOLDINGS, LLC, a Delaware limited liability company (formerly known as Jacoby Holdings LLC)."

(b) The definition of "Guarantors" in Section 1.1 of the Agreement is hereby amended and restated to read as follows:

> ""Guarantors" shall mean Aaron LoCascio, Adam Schoenfeld, Jacoby & Co. Inc., a Nevada corporation, Mid-Atlantic Holdings Group LLC, a Delaware limited liability company, BioVapor Solutions LLC, a Delaware limited liability company, MSI Imports LLC, a Washington limited liability company, Aerospaced LLC, a Florida limited liability company, Warehouse Goods LLC, a Delaware limited liability company, QD Products, LLC, a Delaware limited liability company, GS Fulfillment LLC, a Delaware limited liability company, Vape World Distribution LTD., a British Columbia corporation, and HS Products LLC, a Delaware limited liability company."

(c) The definition of "Commitment" in Section 1.1 of the Agreement is hereby amended and restated to read as follows:

> ""Commitment" shall mean the obligation of the Bank to make Revolving Credit Loans in the aggregate amount not to exceed Fifteen Million Dollars ($15,000,000)."

(d) The definition of "Commitment Termination Date" in Section 1.1 of the Agreement is hereby amended and restated to read as follows:

> ""Commitment Termination Date" shall mean August 23, 2020."

(e) Section 4.11 of the Agreement is hereby amended and restated to read as follows:

> "Section 4.11. Capitalization. As of August 22, 2018, the equity interests of Borrower are held beneficially and of record as follows: 75% by Jacoby & Co. Inc., 15% by Aaron LoCascio, 7.9% by Better Life Products, Inc., and 2.1% by Rochester Vapor Group, LLC. All such equity is validly issued, outstanding, fully paid and non-assessable (to the extent applicable). Each entity Guarantor (other than Jacoby & Co. Inc.) is a direct or indirect wholly owned subsidiary of Borrower. Borrower owns beneficially all of the issued and outstanding equity interests or stock, as the case may be, of each entity Guarantor (other than Jacoby & Co. Inc.), which securities are validly issued, outstanding, fully paid and non-assessable (to the extent applicable). The equity interests of each Guarantor that is a limited liability company are uncertificated securities, and will remain such at all times this Agreement remains in effect."

(f) All references to "Jacoby & Co. Inc." in Exhibit B of the Agreement are hereby replaced by "Greenlane Holdings, LLC".

3. AMENDMENT TO GUARANTY AGREEMENTS.

(a) That certain Guaranty by the Borrower in favor of the Bank dated October 4, 2017 (the "Jacoby Guaranty", is hereby amended by (i) replacing all references to "Jacoby Holdings LLC" with "Jacoby & Co. Inc.", and by replacing all references to "Jacoby & Co. Inc." with "Greenlane Holdings, LLC"; and (ii) deleting Recital B.

(b) That certain Guaranty by Quick Draw in favor of the Bank dated October 4, 2017 (the "QD Guaranty"), is hereby amended by replacing all references to "Quick Draw Holdings Inc." with "QD Products, LLC".

4. AMENDMENT TO SECURITY AGREEMENTS.

(a) That certain Security Agreement by and between the Company and the Bank dated October 4, 2017 ("Borrower Security Agreement"), is hereby amended by (i) replacing all references to "Jacoby & Co. Inc." with "Greenlane Holdings, LLC"; and (ii) replacing Schedule A to said Security Agreement with Schedule A attached hereto.

(b) That certain Security Agreement by and among the Bank, the Borrower, Mid, Bio, MSI, Aero, Warehouse, Quick Draw, GS, and HS, dated October 4, 2017 ("Guarantor Security Agreement"), is hereby amended by (i) replacing all references to "Jacoby Holdings LLC" with "Jacoby & Co. Inc.", and by replacing all references to "Jacoby & Co. Inc." with "Greenlane Holdings, LLC"; (ii) replacing all references to "Quick Draw Holdings, Inc." with "QD Products, LLC"; (iii) replacing Schedule A-1 to the Guarantor Security Agreement with Schedule A-1 attached hereto; and (iii) replacing Schedule A-7 to the Guarantor Security Agreement with Schedule A-7 attached hereto.

5. REPRESENTATIONS AND WARRANTIES . When the Borrower Parties sign this Amendment, They represent and warrant to the Bank that: (a) except as expressly set forth on Schedule 5(a) attached hereto, there is no event which is, or with notice or lapse of time or both would be, a default under the Agreement, (b) the representations and warranties by Borrower in the Agreement are true in all material respects as of the date of this Amendment as if made on the date of this Amendment, unless such representation or warranty is as of a specific date, in which case, as if made on such date, (c) this Amendment does not conflict with any law, agreement, or obligation by which any Borrower party is bound or subject, except to the extent such conflict would not reasonably be expected to result in a Material Adverse Effect, and (d) this Amendment is within the Borrower Parties' powers, has been duly authorized by all company and corporate action of Borrower Parties, and does not conflict with Borrower Parties' organizational documents.

6. CONDITIONS. This Amendment will be effective when the Bank receives the following items, in form and content acceptable to the Bank:

(a) Payment by Company of all costs and expenses incurred by the Bank in connection with this Amendment, including, but not limited to legal costs, recording costs, third party exam expenses and costs, and document stamp taxes;

(b) One or more counterparts of this Amendment, duly executed and delivered by the parties hereto; and

(c) The Amended and Restated Revolving Credit Note, duly executed and delivered by Borrower to the Bank.

7. EFFECT OF AMENDMENT.

(a) General. Except as expressly amended hereby, all of the provisions of the Agreement and the other Loan Documents shall remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments set forth herein are the only amendments being made by this Amendment and, in each case, the amendments shall not be deemed to be an amendment to, consent to or modification of any other term or provision of the Agreement or any other Loan Document or any transaction or further or future action on the part of the Borrower Parties which would require the consent of the Bank under the Agreement or any of the Loan Documents.

(b) Assignment and Assumption. Effective as of the Date hereof:

(i) Agreement. The Company (i) hereby assigns to Borrower and Borrower hereby assumes the Obligations, and (ii) hereby assigns to Borrower, and Borrower hereby assumes, each and every one of the covenants, promises, agreements, terms, rights, obligations, duties, indebtedness and liabilities of the Company applicable to it in its capacity as the "borrower" under the Credit Agreement, the other Loan Documents and any other document or instrument executed and delivered or furnished, or to be executed and delivered or furnished, in connection therewith.

(ii) Jacoby Guaranty. The Borrower hereby assigns to the Company and the Company hereby assumes, each and every one of the covenants, promises, agreements, terms, rights, obligations, duties, indebtedness and liabilities of the Borrower under the Jacoby Guaranty.

(iii) QD Guaranty. Quick Draw hereby assigns to QD and QD hereby assumes, each and every one of the covenants, promises, agreements, terms, rights, obligations, duties, indebtedness and liabilities of Quick Draw under the Quick Draw Guaranty.

(iv) Borrower Security Agreement. The Company hereby assigns to the Borrower and the Borrower hereby assumes, each and every one of the covenants, promises, agreements, terms, rights, obligations, duties, indebtedness and liabilities of the Company under the Borrower Security Agreement.

(v) Guarantor Security Agreement. (A) The Borrower hereby assigns to the Company and the Company hereby assumes, each and every one of the covenants, promises, agreements, terms, rights, obligations, duties, indebtedness and liabilities of the Borrower under the Guarantor Security Agreement; and (A) Quick Draw hereby assigns to QD and QD hereby assumes, each and every one of the covenants, promises, agreements, terms, rights, obligations, duties, indebtedness and liabilities of Quick Draw under the Guarantor Security Agreement.

8. ACKNOWLEDGEMENT, CONSENT AND REAFFIRMATION . Each of the undersigned hereby (i) consents to this Amendment, (ii) acknowledges, agrees and reaffirms that the terms and conditions of the Loan Documents, as amended hereby, to which it is a party remain in full force and effect and are hereby ratified and confirmed in all respects, and (iii) agrees to be bound by each and every one of the terms and conditions applicable to the undersigned in this Amendment, the Agreement as amended by the Amendment, and the other Loan Documents as amended by the Amendment.

9. COUNTERPARTS. This Amendment may be executed in counterparts, each of which when so executed shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Any signatures delivered by a party by facsimile transmission or by other electronic transmission shall be deemed an original signature hereto.

10. APPLICABLE LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICT OR CHOICE OF LAWS. EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY FEDERAL OR STATE COURT IN THE STATE OF FLORIDA, COUNTY OF MIAMI-DADE, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST IT AND RELATED TO OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO HEREBY WAIVES AND AGREES NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER, OR THAT THIS AGREEMENT OR ANY DOCUMENT OR ANY INSTRUMENT REFERRED TO HEREIN OR THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO AGREES (i) NOT TO SEEK AND HEREBY WAIVES THE RIGHT TO ANY REVIEW OF THE JUDGMENT OF ANY SUCH COURT BY ANY COURT OF ANY OTHER NATION OR JURISDICTION WHICH MAY BE CALLED UPON TO GRANT AN ENFORCEMENT OF SUCH JUDGMENT AND (ii) NOT TO ASSERT ANY COUNTERCLAIM IN ANY SUCH SUIT, ACTION OR PROCEEDING UNLESS SUCH COUNTERCLAIM CONSTITUTES A COMPULSORY OR MANDATORY COUNTERCLAIM UNDER APPLICABLE RULES OF CIVIL PROCEDURE. EACH PARTY HERETO AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT BY CERTIFIED OR REGISTERED MAIL TO THE ADDRESS FOR NOTICES SET FORTH IN THIS AGREEMENT OR ANY METHOD AUTHORIZED BY THE LAWS OF FLORIDA. EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

11. FINAL AGREEMENT. BY SIGNING THIS AMENDMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THIS AMENDMENT REPRESENTS THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, (B) THIS AMENDMENT SUPERSEDES ANY COMMITMENT LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS RELATING TO THE SUBJECT MATTER HEREOF, UNLESS SUCH COMMITMENT LETTER, TERM SHEET OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS EXPRESSLY PROVIDES TO THE CONTRARY, (C) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (D) THIS AMENDMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

[Remainder of Page Intentionally Left Blank]

This Amendment is executed as of the date stated at the top of the first page.

FIFTH THIRD BANK

By: /s/ Vivian Alvarez Premock
Name: Vivian Alvarez Premock
Title: Senior Vice President

/s/ Aaron LoCascio
Aaron LoCascio

/s/ Adam Schoenfeld
Adam Schoenfeld

GREENLANE HOLDINGS, LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

JACOBY & CO. INC.

By: /s/ Adam Schoenfeld
Name: Adam Shoenfeld
Title: Co-President

HS PRODUCTS LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

GS FULFILLMENT LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

WAREHOUSE GOODS LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

MSI IMPORTS LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

BIOVAPOR SOLUTIONS LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

MID-ATLANTIC HOLDINGS GROUP LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

QUICK DRAW HOLDINGS, INC.

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

AEROSPACED LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

VAPE WORLD DISTRIBUTION LTD.

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

QD PRODUCTS, LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

Exhibit 10.8

AMENDED AND RESTATED CREDIT AGREEMENT

by and between

1095 BROKEN SOUND PKWY LLC
GREENLANE HOLDINGS, LLC

and

FIFTH THIRD BANK

Dated as of October 1, 2018

AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT is dated as of October 1, 2018, by and between 1095 BROKEN SOUND PKWY LLC, a Delaware limited liability company (the "RE Borrower" and a "Borrower"), GREENLANE HOLDINGS, LLC, a Delaware limited liability company (the "RLOC Borrower" and a "Borrower") and FIFTH THIRD BANK, an Ohio Banking Corporation (the "Bank").

RECITALS

The Bank and Jacoby & Co., a Nevada corporation ("Jacoby") entered into that certain Credit Agreement dated October 4, 2017 (the "Original Credit Agreement") pursuant to which the Bank extended to Jacoby a revolving credit commitment in an amount not to exceed Eight Million ($8,000,000) Dollars.

The RLOC Borrower is an indirect majority owned subsidiary of Jacoby.

In connection with a restructuring of the organization of Jacoby and affiliated entities, on August 23, 2018, the Bank, Jacoby, the RLOC Borrower and the Guarantors entered into an Omnibus Amendment No. 1 to Credit Agreement, Guaranties, and Security Agreements (the " Omnibus Amendment"), which, in part: (i) amended the Original Credit Agreement to: (a) increase the revolving credit commitment to an amount not to exceed Fifteen Million ($15,000,000) Dollars; (b) extend the maturity date of the revolving credit commitment to August 23, 2020; and (c) effectuate the assumption by the RLOC Borrower of all obligations of Jacoby as the "borrower" under the Original Credit Agreement and other Loan Documents; (ii) amended the Guaranties; and (iii) amended the Security Agreements.

The RE Borrower, an indirect wholly owned subsidiary of the RLOC Borrower, has requested that the Bank provide financing for the RE Borrower's acquisition of a certain parcel of real property, and the Bank has agreed to provide said financing.

The Bank, the RLOC Borrower, and the RE Borrower have agreed to amend and restate the Original Credit Agreement to incorporate the terms of the Omnibus Amendment that amended the Original Credit Agreement, and to add a real estate finance facility that sets forth the terms and conditions of the real estate financing described above.

Accordingly, the Borrowers and the Bank agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.1. Definitions. As used herein, the following words and terms shall have the following meanings:

"Adjusted EBITDA" shall mean, for the period in question, Net Income plus Interest Expense plus depreciation and amortization plus taxes plus rents and operating lease payments minus distributions and dividends to members and shareholders (net of contributions, which shall not exceed distributions) plus proceeds of all Subordinated Debt plus/minus any nonrecurring/extraordinary expense or revenue items as determined by the Bank in its reasonable discretion, calculated in accordance with GAAP applied on a consistent basis but adjusted for non-cash straight-line rent adjustments and capital expenditures (other than capital expenditures financed with the proceeds of purchase money Indebtedness or Capital Leases to the extent permitted under this Agreement).

"Adjustment Protocol" shall have the meaning set forth in the definition of LIBOR Rate.

"Affiliate" shall mean with respect to any Person, any corporation, partnership, limited liability company, limited liability partnership, joint venture, trust or unincorporated organization which, directly or indirectly, controls or is controlled by or is under common control with such Person. For the purpose of this definition, "control" of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management or policies of such Person whether through the ownership of voting securities by contract or otherwise; provided that, in any event, any person who owns directly or indirectly forty (40%) percent or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or forty (40%) percent or more of the partnership, membership or other ownership interest of any Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person.

"Agreed Currency" shall have the meaning provided in Section 9.17.

"Agreement" shall mean this Amended and Restated Credit Agreement dated as of October 1, 2018, which amends and restates the Original Credit Agreement, as amended by the Omnibus Amendment, as it may hereafter be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"AML Legislation" shall have the meaning provided in Section 9.16.

"Anti-Terrorism Laws" shall mean any laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by the United States Treasury Department's Office of Foreign Asset Control, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (as any of the foregoing laws may from time to time be amended, renewed, extended, or replaced).

"Banking Services" shall mean each and any of the following commercial bank services provided to the Borrowers by the Bank: (i) commercial credit, credit cards, purchase or debit cards and (ii) cash management, treasury or related services (including, without limitation, controlled deposit accounts, overnight draft, funds transfer, automated clearinghouse, zero accounts, lockbox, account reconciliation, disbursement, ACH transactions, return items and interstate depository network services); and (iii) any interest rate swap, cap, floor, collar, or any similar transaction or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging a Borrower's exposure to fluctuations in internet rates.

"Banking Services Obligations" of the Borrowers shall mean any and all obligations of a Borrower, whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Blocked Person" shall have the meaning provided in Section 4.19(b).

"Borrowing Base" shall mean, at any time, fifty (50%) percent of Borrower Group's Eligible Inventoryplus eighty (80%) percent of Borrower Group's Eligible Receivables.

"Borrowing Base Certificate" shall mean a certificate signed and certified as accurate and complete by an Executive Officer of RLOC Borrower, setting forth the calculation of the Borrowing Base, and including such other information as may be reasonably requested by Bank from time to time.

"Borrowing Date" shall mean, with respect to any Loan, the date on which such Loan is disbursed to the Borrower.

"Borrower Group" shall mean the Borrowers and each Guarantor that is a direct and indirect subsidiary of a Borrower.

"Business Day" shall mean (i) with respect to all notices and determinations in connection with the LIBOR Rate, any day (other than a Saturday or Sunday) on which commercial banks are open in London, England, New York, New York, and Cincinnati, Ohio for dealings in deposits in the London Interbank Market; and (ii) in all other cases, any day on which commercial banks in Cincinnati, Ohio are required by law to be open for business; provided that, notwithstanding anything to the contrary in this definition of "Business Day", at any time during which a rate management agreement with the Bank is then in effect with respect to all or a portion of a Note, then the definitions of "Business Day" and "Banking Day", as applicable, pursuant to such rate management agreement shall govern with respect to all applicable notices and determinations in connection with such portion of said Note subject to such rate management agreement.

"Canadian Benefit Plans" shall mean, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, any bonus, deferred compensation, incentive compensation, share purchase, share option, share appreciation, phantom share, savings, profit sharing, severance or termination pay, health, dental or other medical, life, disability insurance, mortgage insurance, employee loan, employee assistance, supplementary unemployment benefit, registered and other pension, retirement and supplementary retirement, plan, program and every other benefit plan, program, agreement, arrangement or practice maintained or contributed to for the benefit of any of the Borrower Group's employees, former employees or their respective dependent or beneficiaries or under which the Borrower Group has any liability in respect of any of its employees, former employees or their respective dependent or beneficiaries, but excluding the Canada Pension Plan, the Quebec Pension Plan, any health or drug plan established and administered by a Canadian Province and workers' compensation insurance provided by Canadian federal or provincial legislation or a comparable program established and administered outside Canada.

"Canadian Insolvency Laws" shall mean any of the Bankruptcy and Insolvency Act (Canada) the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), the Bankruptcy Code, as at now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"Canadian Pension Legislation" shall mean the Pension Benefits Act (Ontario) and regulations adopted thereunder, and any similar Canadian provincial or federal legislation.

"Canadian Pension Plans" shall mean a Canadian Benefit Plan which is a registered pension plan, as that term is defined in the Income Tax Act (Canada), other than a MEPP.

"Capital Lease" shall mean (i) any lease of property, real or personal, if the then present value of the minimum rental commitment thereunder should, in accordance with GAAP applied on a consistent basis, be capitalized on the balance sheet of the lessee, and (ii) any other such lease the obligations of which are required to be capitalized on the balance sheet of the lessee.

"Change of Control" shall mean any event which results in any Person, or two or more Persons acting in concert, in each case, acquiring beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended), directly or indirectly, by contract or otherwise, or entering into a contract or arrangement which upon consummation will result in its or their acquisition of, or control over, securities of a Borrower (or other securities convertible into such securities) representing fifty (50%) percent or more of the combined voting power of all securities of said Borrower entitled to vote in the election of managers of said Borrower.

"Closing Date" shall mean October 1, 2018.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" shall mean the obligation of the Bank to make Revolving Credit Loans to the RLOC Borrower in the aggregate amount not to exceed Fifteen Million ($15,000,000) Dollars.

"Commitment Period" shall mean the period from and including the Closing Date to, but not including, August 23, 2020, or such earlier date as the Commitment shall terminate as provided herein.

"Commitment Termination Date" shall mean the last day of the Commitment Period. "CPA" shall have the meaning set forth in Section 4.3.

"Default" shall mean any event or condition which upon notice, lapse of time, or both, would constitute an Event of Default.

"Dollar" and the symbol "$" shall mean lawful money of the United States of America.

"Eligible Inventory" means at any time, Borrower Group's inventory of finished goods held for use or sale in the ordinary course of Borrower Group's business, valued by the Bank at the lower of cost or fair market value on a first in, first out basis; provided that Eligible Inventory shall not include the following: (i) raw materials and work-in-process; (ii) obsolete items; (iii) samples and packing materials; (iv) returned items; (v) any inventory in which the Bank does not have a valid, first priority and fully perfected security interest; (vi) any inventory evidenced by negotiable warehouse receipts or documents of title which have not been issued in the name of the Bank; and (viii) any inventory not in the actual possession of the Borrower Group or located at any leased location or public warehouse, unless a reasonably satisfactory landlord or warehouseman lien subordination or waiver has been delivered to the Bank or reserves reasonably satisfactory to the Bank in its discretion have been established by the Borrower Group with respect thereto, provided, however, inventory in transit shall, notwithstanding the foregoing, be considered Eligible Inventory under this Section (viii) to the extent said inventory is properly insured, as determined by the Bank in its reasonable discretion, with the Bank named as a loss-payee on any applicable insurance policy. Inventory, which is deemed to be Eligible Inventory, but which subsequently fails to meet the foregoing criteria for Eligible Inventory, shall immediately cease to be Eligible Inventory for the purpose of determining the Borrowing Base. To the extent that such inventory once again meets the foregoing criteria for Eligible Inventory, such inventory shall immediately be Eligible Inventory for purposes of determining the Borrowing Base.

"Eligible Receivables" shall mean, at any time, Borrower Group's accounts receivable that are not more than ninety (90) days past the original invoice date (less contra accounts); provided that Eligible Receivables shall not include the following: (i) accounts receivable with respect to which the account debtor is a member, officer, employee, agent or Affiliate of any of the Borrower Group; (ii) accounts receivable with respect to which the debtor is not a resident of, or does not have its principal place of business in, the United States or Canada, provided, however, said accounts receivable may be deemed eligible by the Bank on a case by case basis, if satisfactory letters of credit, credit insurance, or other requested documentation is received by the Bank; (iii) if the total accounts receivable owed by a debtor to the Borrower Group total more than twenty (20%) percent of Borrower Group's total accounts receivable, then Eligible Receivables shall not include any such accounts receivable owed by said debtor to the Borrower Group that exceed twenty (20%) percent of Borrower Group's total accounts receivable; and (iv) any and all accounts receivable owed by a particular debtor if twenty-five (25%) percent or more of the total accounts receivable owed by said debtor to the Borrower Group are due and outstanding more than ninety (90) days from the original invoice date. In the event that an Eligible Receivable ceases to be an Eligible Receivable hereunder, the RLOC Borrower shall notify the Bank thereof on and at the time of submission to the Bank of the next Borrowing Base Certificate. In determining the amount of an Eligible Receivable, the face amount of an account may, in the Bank's discretion, be reduced, without duplication, to the extent not reflected in such face amount, by: (a) the amount of all accrued and actual rebates, discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances and (b) the aggregate amount of all cash received in respect of such account but not yet applied by the Borrower Group to reduce the amount of such account.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate" shall mean each person (as defined in Section 3(9) of ERISA) which, together with the Borrower Group, would be deemed to be a member of the same "controlled group" within the meaning of Section 414(b) and (c) of the Code.

"Event of Default" shall mean any Event of Default set forth in Article VIII.

"Executive Officer" shall mean the chief executive officer or chief financial officer of a Borrower or entity Guarantor, as applicable, and any other officer or similar official thereof with significant responsibility for the administration of the obligations of the Borrower or entity Guarantor in respect of this Agreement and the other Loan Documents.

"Executive Order" shall mean the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

"Fixed Charge Coverage Ratio" shall mean the ratio of Borrower Group's consolidated (i) Adjusted EBITDA to (ii) the sum of (a) all principal and interest payments with respect to Indebtedness that were paid or were due and payable by the Borrower Group during the period in question, and (b) all rents that were paid or payable and all operating lease payments that were paid or payable by the Borrower Group during the period in question, calculated in accordance with GAAP applied on a consistent basis but adjusted for non-cash straight-line rent adjustments.

"Governmental Authority" shall mean any nation or government, any state, province, city or municipal entity or other political subdivision thereof, and any governmental, executive, legislative, judicial, administrative or regulatory agency, department, authority, instrumentality, commission, board or similar body, whether federal, state, provincial, territorial, local or foreign.

"Guaranties" shall mean guaranties executed by each of the Guarantors, as the same may be amended, restated, supplemented or modified, from time to time.

"Guarantors" shall mean Aaron LoCascio, Adam Schoenfeld, Jacoby & Co. Inc., a Nevada corporation, Mid-Atlantic Holdings Group LLC, a Delaware limited liability company, BioVapor Solutions LLC, a Delaware limited liability company, MSI Imports LLC, a Washington limited liability company, Aerospaced LLC, a Florida limited liability company, Warehouse Goods LLC, a Delaware limited liability company, QD Products, LLC, a Delaware limited liability company, GS Fulfillment LLC, a Delaware limited liability company, Vape World Distribution LTD., a British Columbia corporation, HS Products LLC, a Delaware limited liability company, and RLOC Borrower.

"Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49) U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 9601,et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule or regulation.

"Hedge Agreement" shall mean any agreement between a Borrower and Bank or any affiliate of Bank, now existing or hereafter entered into, which provides for an interest rate swap, cap, floor, collar, or any similar transaction or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging a Borrower's exposure to fluctuations in interest rates.

"Indebtedness" shall mean, without duplication, as to any Person or Persons (i) indebtedness for borrowed money; (ii) indebtedness for the deferred purchase price of property or services; (iii) indebtedness evidenced by bonds, debentures, notes or other similar instruments; (iv) obligations and liabilities secured by a Lien upon property owned by such Person, whether or not owing by such Person and even though such Person has not assumed or become liable for the payment thereof; (v) obligations or liabilities created or arising under any conditional sales contract or other title retention agreement with respect to property used and/or acquired by such Person; (vi) obligations of such Person as lessee under Capital Leases; (vii) liabilities of such Person under Hedge Agreements and foreign currency exchange agreements, as calculated on a basis reasonably satisfactory to the Bank and in accordance with accepted practice; (viii) all obligations of such Person in respect of bankers' acceptances; (ix) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and (x) all guaranties of such Person of the type of Indebtedness described in clauses (i) through (ix) above. The amount of any Indebtedness of a Person for which recourse is limited to an identified asset or assets of such Person shall be equal to the lesser of (x) the amount of such Indebtedness and (y) the fair market value of such asset or assets. For purposes of this definition, the amount of any Indebtedness represented by a guaranty shall be the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instruments embodying such Indebtedness.

"Interest Expense" shall mean all interest expense of the Borrower Group determined on a consolidated basis in accordance with GAAP applied on a consistent basis.

"Judgment Currency" shall have the meaning provided in Section 9.17.

"Jurisdiction" shall mean the state in the United States where the Bank's branch which maintains Borrower Group's major deposits is located, or if Borrower Group does not have deposits with the Bank, the Bank's office in a state of the United States where Borrower Group's major banking relationship with it is conducted; if neither of the foregoing apply, then jurisdiction shall mean the State of Florida.

"Landlord Waivers" shall mean the Landlord waivers with respect to properties occupied by the Borrower Group, executed for the benefit of the Bank, as same may be amended, restated, supplemented or modified, from time to time.

"LIBOR Rate" shall mean, as of any date of determination, the rate of interest rounded upwards (the "Rounding Adjustment"), if necessary, to the next 1/8 of 1% (and adjusted for reserves if the Bank is required to maintain reserves with respect to relevant advances) fixed by ICE Benchmark Administration Limited (or any successor thereto, or replacement thereof, approved by the Bank, each an "Alternate LIBOR Source") at approximately 11:00 a.m., London, England time (or the relevant time established by ICE Benchmark Administration Limited, an Alternate LIBOR Source, or the Bank, as applicable), two Business Days prior to such date of determination, relating to quotations for the one month London InterBank Offered Rates on U.S. Dollar deposits, as displayed by Bloomberg LP (or any successor thereto, or replacement thereof, as approved by the Bank, each an "Approved Bloomberg Successor"), or, if no longer displayed by Bloomberg LP (or any Approved Bloomberg Successor), such rate as shall be determined in good faith by the Bank from such sources as it shall determine to be comparable to Bloomberg LP (or any Approved Bloomberg Successor), all as determined by the Bank in accordance with the Bank's loan systems and procedures periodically in effect.

Notwithstanding anything to the contrary contained herein, in no event shall the LIBOR Rate be less than 0% as of any date (the "LIBOR Rate Minimum"); provided that, at any time during which a rate management agreement with the Bank is then in effect with respect to all or a portion of the Obligations, the LIBOR Rate Minimum, the Rounding Adjustment and the Adjustment Protocol (as defined below) shall all be disregarded and no longer of any force and effect with respect to such portion of the Obligations subject to such Rate Management Agreement. Each determination by the Bank of the LIBOR Rate shall be binding and conclusive in the absence of manifest error. The LIBOR Rate shall be initially determined as of the date of the initial advance of funds to Borrower under the Revolving Credit Note and shall be effective until the first Business Day of the month following the period commencing on the date of such initial advance (such first Business Day being the "First Adjustment Date"). The interest rate based upon the LIBOR Rate shall be adjusted automatically on the First Adjustment Date and on the first Business Day of each month thereafter (the "Adjustment Protocol").

Notwithstanding anything herein contained to the contrary, if the Bank, by written or telephonic notice, notifies Borrowers that: (i) any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, has made it unlawful for the Bank to fund or maintain its funding in Eurodollars of any portion of any advance subject to the LIBOR Rate or otherwise give effect to the Bank's obligations as contemplated hereby; or (i) (a) LIBOR deposits for periods of one month are not readily available in the London Interbank Offered Rate Market, (b) by reason of circumstances affecting such market or other economic conditions, adequate and reasonable methods do not exist for ascertaining the rate of interest applicable to such deposits, or (iii) the LIBOR Rate as determined by the Bank will not adequately and fairly reflect the cost to the Bank of making or maintaining advances bearing interest with reference to the LIBOR Rate (including inaccurate or inadequate reflection of actual costs resulting from the calculation of rates by reporting sources), then, in any of such events: (A) the Bank's obligations in respect of the LIBOR Rate shall terminate forthwith, (B) the LIBOR Rate with respect to the Bank shall forthwith cease to be in effect, (C) the affected Borrower's right to utilize LIBOR Rate index pricing as set forth in this Agreement and the Note in question shall be terminated forthwith, and (D) amounts outstanding under said Note shall, on and after such date, bear interest at a rate per annum equal to: (1) 0.5% plus (2) the floating rate of interest established from time to time by the Bank at its principal office as its "Prime Rate", whether or not the Bank shall at times lend to borrowers at lower rates of interest or, if there is no such Prime Rate, then such other rate as may be substituted by the Bank for such Prime Rate. Each determination by the Bank of the Prime Rate shall be binding and conclusive in the absence of manifest error. In the event of a change in the Prime Rate, the interest rate accruing hereunder based upon the Prime Rate shall be changed immediately with such change to be based upon such new Prime Rate.

"Lien" shall mean any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, charge, conditional sale, title retention agreement, Capital Lease or other encumbrance or similar right of others, or any agreement to give any of the foregoing.

"Loans" shall mean, collectively, the Revolving Credit Loans, the Real Estate Loan, and any other loans and advances made by the Bank pursuant to this Agreement.

"Loan Documents" shall mean, collectively, this Agreement, the Notes, the Security Documents, Hedge Agreements, and each other agreement executed in connection with the transactions contemplated hereby or thereby.

"London Business Day" shall mean any day on which commercial banks in London, England are open for general business.

"Material Adverse Effect" shall mean a material adverse effect on (i) the business, operations, properties or condition (financial or otherwise) of the Borrower Group, or (ii) the ability of the Borrower Group to perform any of its material obligations under any Loan Document to which it is a party.

"Material Contract" shall mean, with respect to any Person, each contract, instrument or agreement to which such Person is a party which is material to the business, operations, properties, prospects or condition (financial or otherwise) of such Person or which, if terminated, could reasonably be expected to result in a Material Adverse Effect.

"MEPP" shall mean a Canadian Benefit Plan which is a multi-employer pension plan, as that term is defined by Canadian Pension Legislation.

"Mortgage" shall mean that certain first priority mortgage and assignment of leases and rents with respect to the Mortgaged Premises, executed and delivered to the Bank by the RE Borrower, as the same may be amended, supplemented, modified, or restated from time to time.

"Mortgaged Premises" shall mean the real property described in the Mortgage.

"Net Income" shall mean, for any period, the net income (or net loss) for such period calculated in accordance with GAAP applied on a consistent basis.

"Notes" shall mean the Revolving Credit Note and the Real Estate Note.

"Notice of Revolving Credit Loan Borrowing" shall mean the Notice of Revolving Credit Loan Borrowing substantially in the form attached hereto asExhibit A.

"Obligations" shall mean the RLOC Obligations and the Real Estate Obligations.

"Operating Accounts" shall mean RLOC Borrower's account #7434398447 at the Bank, or any other account at the Bank maintained by a member of Borrower Group as designated by the Borrowers from time to time, into which (i) Bank shall credit the proceeds from each Loan hereunder; and (ii) all payments made to Borrower Group shall be deposited, wired or ACH'd.

"Payment Office" shall mean the Bank's office located at 2333 Ponce de Leon Blvd, Suite 303, Coral Gables, FL 33134, Attention: Commercial Loan Administration, or such other office hereinafter designated by the Bank as its Payment Office.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Permitted Liens" shall have the meaning set forth in Section 7.1.

"Person" shall mean any natural person, corporation, limited liability company, limited liability partnership, business trust, joint venture, association, company, partnership or Governmental Authority.

"Plan" shall mean any multi-employer or single-employer plan defined in Section 4001 of ERISA which is subject to Title IV of ERISA, which is maintained, or at any time during the five calendar years preceding the date of this Agreement was maintained for employees of the Borrower Group or an ERISA Affiliate.

"Purchase Agreement" shall have the meaning set forth in Section 5.1(1).

"Real Estate Loan" shall have the meaning set forth in Section 2.3(a).

"Real Estate Note" shall have the meaning set forth in Section 2.3(b).

"Real Estate Obligations" shall mean (i) all obligations, liabilities and indebtedness of the RE Borrower to the Bank, whether now existing or hereafter created, absolute or contingent, direct or indirect, due or not, arising under this Agreement, the Real Estate Note or any other Loan Document, including, without limitation, all obligations, liabilities and indebtedness of the RE Borrower with respect to the principal of and interest on the Real Estate Loans, (ii) any Banking Services Obligations of the RE Borrower, and (iii) all fees, costs, expenses and indemnity obligations of the RE Borrower hereunder or under any other Loan Document.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Reportable Event" shall mean an event described in Section 4043(c) of ERISA with respect to a Plan as to which the 30-day notice requirement has not been waived by the PBGC.

"Revolving Credit Loan" shall have the meaning set forth in Section 2.1.

"Revolving Credit Note" shall mean that certain Revolving Credit Note dated October 4, 2017, issued by Jacoby to the Bank, as amended and restated by that certain Amended and Restated Revolving Credit Note dated August 23, 2018, issued by the RLOC Borrower to the Bank, as same may be amended, restated, supplemented or modified, from time to time.

"RLOC Obligations" shall mean (i) all obligations, liabilities and indebtedness of the RLOC Borrower to the Bank, whether now existing or hereafter created, absolute or contingent, direct or indirect, due or not, arising under this Agreement, the Revolving Credit Note or any other Loan Document, including, without limitation, all obligations, liabilities and indebtedness of the RLOC Borrower with respect to the principal of and interest on the Revolving Credit Loans, (ii) any Banking Services Obligations of the RLOC Borrower, and (iii) all fees, costs, expenses and indemnity obligations of the RLOC Borrower hereunder or under any other Loan Document.

"Security Agreements" shall mean the Security Agreements executed by the Borrowers and each entity Guarantor, for the benefit of the Bank, as same may be amended, restated, supplemented or modified, from time to time.

"Security Documents" shall mean, collectively, the Security Agreements, the Guaranties, the Mortgage, the Subordination, Non-Disturbance and Attornment Agreements, the Landlord Waivers, and each other collateral security document delivered to the Bank hereunder.

"Subordinated Debt" shall mean all Indebtedness which is subordinated in right of payment to the payment of the Obligations on terms set forth in a subordination agreement that is reasonably satisfactory to the Bank.

"Subordination, Non-Disturbance and Attornment Agreement " shall mean those certain Subordination, Non-Disturbance and Attornment Agreements to be executed and delivered by each of the Tenants and the Bank, as the same may be amended, restated, supplemented or modified from time to time.

"Tenants" shall mean the following tenants of the Mortgaged Premises: Active Data Technologies, Inc.; BMI Elite Holdings, LLC; A Better Process, Inc.; Visually, Inc. (via merger with ION Interactive, Inc.), and; 4Voice, LLC.

"Unfunded Current Liability" of any Plan shall mean the amount, if any, by which the present value of the accrued benefits under the Plan as of the close of its most recent plan year exceeds the fair market value of the assets allocable thereto, determined in accordance with Section 412 of the Code.

Section 1.2. Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter. The term "including" shall not be limited or exclusive, unless specifically indicated to the contrary. The word "will" shall be construed to have the same meaning in effect as the word "shall". The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the exhibits and schedules hereto, all of which are by this reference incorporated into this Agreement.

Section 1.3. Accounting Terms. Except as otherwise herein specifically provided, each accounting term used herein shall have the meaning given to it under GAAP. "GAAP" shall mean those generally accepted accounting principles and practices which are recognized as such by the American Institute of Certified Public Accountants acting through the Financial Accounting Standards Board ("FASB") or through other appropriate boards or committees thereof, except that any accounting principle or practice required, in the good faith opinion of the CPA, to be changed by the FASB (or other appropriate board or committee of the FASB) in order to continue as a generally accepted accounting principle or practice may be so changed. Any dispute or disagreement between the Borrower and the Bank relating to the determination of GAAP shall, in the absence of manifest error, be conclusively resolved for all purposes hereof by a written opinion with respect thereto delivered to the Bank by the CPA.

ARTICLE II
LOANS

Section 2.1. Revolving Credit Loans.

(a) Subject to the terms and conditions, and relying upon the representations and warranties, set forth herein, the Bank agrees to make loans (individually a "Revolving Credit Loan" and, collectively, the "Revolving Credit Loans") to the RLOC Borrower at any time or from time to time on or after the date hereof and until the Commitment Termination Date, provided, however, that no Revolving Credit Loan shall be made if, after giving effect to such Revolving Credit Loan, the aggregate outstanding principal amount of all Revolving Credit Loans would exceed the lesser of the Commitment or the Borrowing Base in effect at such time. During the Commitment Period, the RLOC Borrower may from time to time borrow, repay and reborrow hereunder, subject to the terms, provisions and limitations set forth herein.

(b) The RLOC Borrower shall, not later than 10:00 a.m., Miami, Florida time, on the date of each proposed Revolving Credit Loan under this Section 2.1, deliver to the Bank a duly completed Notice of Revolving Credit Loan Borrowing, executed by an Executive Officer of RLOC Borrower. Such notice shall be irrevocable.

(c) The Commitment shall automatically terminate on the Commitment Termination Date. Upon such termination, the RLOC Borrower shall immediately repay in full the principal amount of the Revolving Credit Loans then outstanding, together with all accrued and unpaid interest thereon and all other amounts due and payable hereunder.

Section 2.2. Revolving Credit Note. The Revolving Credit Loans made by the Bank shall be

evidenced by the Revolving Credit Note. RLOC Borrower shall be liable for all amounts outstanding under the Revolving Credit Note. The date and amount of each Revolving Credit Loan and the date and amount of each payment or prepayment of principal of each Revolving Credit Loan may be recorded on the grid schedule annexed to the Revolving Credit Note, and the RLOC Borrower authorizes the Bank to make such recordation; provided, however, that the failure of the Bank to set forth each such Revolving Credit Loan, payment and other information on such grid shall not in any manner affect the obligation of the RLOC Borrower to repay each Revolving Credit Loan made by the Bank in accordance with the terms of the Revolving Credit Note and this Agreement. The Revolving Credit Note and the books and records of the Bank shall constitute conclusive evidence of the information so recorded absent manifest error. The aggregate unpaid amount of the Revolving Credit Loans of the Bank at any time shall be the principal amount owing on the Revolving Credit Note of the RLOC Borrower at such time.

Section 2.3. Real Estate Loan.

(a) Subject to the terms and conditions and relying upon the representations and warranties set forth herein, the Bank agrees to make a term loan (Real Estate Loan") to the RE Borrower on the Closing Date in the amount of Eight Million Five Hundred Thousand ($8,500,000) Dollars. Upon repayment of any principal amount of the Real Estate Loan, the RE Borrower may not re-borrow such amount under the Real Estate Loan.

(b) The Real Estate Loan made by the Bank shall be evidenced by the Real Estate Note payable to the Bank in an original principal amount equal to Eight Million Five Hundred Thousand ($8,500,000) Dollars, appropriately completed, duly executed and delivered on behalf of the RE Borrower, as the same may be amended, supplemented, modified, or restated from time to time (the "Real Estate Note"). The RE Borrower shall be liable for all amounts outstanding under the Real Estate Note. Payments of principal and interest with respect to the Real Estate Loan shall be made in accordance with the terms and provisions of the Real Estate Note.

(c) Subject to the RE Borrower's right to contest same in accordance with Section 7.1 hereof, the RE Borrower shall pay all real estate taxes and assessments on or for the Mortgaged Premises prior to delinquency or imposition of a penalty or interest. In addition, the RE Borrower shall, within thirty (30) days after the date of such delinquency deliver to the Bank copies of receipts or cancelled checks evidencing the payment of the same. The RE Borrower shall pay all insurance premiums on or for the Mortgaged Premises prior to such premiums becoming due and payable due and shall promptly provide to Bank evidence of such payment. Upon the request of the Bank after the occurrence and during the continuance of an Event of Default, the Bank shall have the right to promptly require the RE Borrower to escrow with the Bank sums necessary for the annual payment of (i) the real estate taxes and assessments on or for the Mortgaged Premises (taking into account any discounts) and (ii) insurance premiums for the Mortgaged Premises. To the extent the Bank shall require the RE Borrower to escrow with the Bank sums necessary for the annual payment of the real estate taxes, assessments and insurance premiums on or for the Mortgaged Premises pursuant to the terms and conditions of this section, in addition to the monthly payments set forth in the Real Estate Note, the RE Borrower shall pay to the Bank on the first (1st) day of each calendar month an amount equal to one twelfth (1/12) of the annual real estate taxes, assessments and insurance premiums on or for the Mortgaged Premises, as estimated by the Bank in its reasonable discretion, which Bank shall make available to the RE Borrower to pay such real estate taxes, assessments and insurance premiums. No interest shall be paid on such funds. Upon the Event of Default being cured, any amounts held by Bank under this Section 2.3(c) shall be promptly returned by Bank to the RE Borrower.

ARTICLE III
INTEREST RATE; FEES AND PAYMENTS; USE OF PROCEEDS

Section 3.1. Interest Rates.

(a) Base Interest Rates.

(i) Revolving Credit Loan. The Revolving Credit Loans shall bear interest on the unpaid principal amount thereof at a rate per annum equal to the LIBOR Rate plus three and one-half (3.50%) percent. The interest rate shall be adjusted pursuant to the Adjustment Protocol.

(ii) Real Estate Credit Loan. The Real Estate Loan shall bear interest on the unpaid principal amount thereof at a rate per annum equal to the LIBOR Rate plus two and 39/100 (2.39%) percent. The interest rate shall be adjusted pursuant to the Adjustment Protocol.

(b) Default Interest Rates. Upon the occurrence and during the continuance of an Event of Default, the outstanding principal amount of each Loan, shall, at the option of the Bank, bear interest payable on demand, at a rate per annum equal to rate set forth under Section 3.1(a) plus five (5.00%) percent per annum.

(c) Late Charges. A late charge of five (5.00%) percent shall be imposed on each and every payment required hereunder that is not received by Bank within ten (10) days after it is due. The late charge is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment. The late charge shall be immediately due and payable and shall be paid by the Borrowers to the Bank without notice or demand. This provision for late charge is not and shall not be deemed a grace period, and Bank has no obligation to accept a late payment. Further, the acceptance of a late payment shall not constitute a waiver of any Event of Default then existing or thereafter arising.

(d) Maximum Allowable Interest Rates. Anything in this Agreement or in the Notes to the contrary notwithstanding, the obligation of the Borrowers to make payments of interest shall be subject to the limitation that payments of interest shall not be required to be paid to the Bank to the extent that the charging or receipt thereof would not be permissible under the law or laws applicable to the Bank limiting the rates of interest that may be charged or collected by the Bank. In each such event payments of interest required to be paid to the Bank shall be calculated at the highest rate permitted by applicable law until such time as the rates of interest required hereunder may lawfully be charged and collected by the Bank. If the provisions of this Agreement or the Notes would at any time otherwise require payment by the Borrowers to the Bank of any amount of interest in excess of the maximum amount then permitted by applicable law, the interest payments to the Bank shall be reduced to the extent necessary so that the Bank shall not receive interest in excess of such maximum amount. Any amount paid or collected by the Bank as interest which would be in excess of the amount permitted by applicable law shall be deemed applied to the reduction of the principal balance of the Obligations and not to the payment of interest, but if such Obligations have been or are thereby paid in full, the excess shall be returned to the Borrowers, such application to the principal balance of the Obligations or the refunding of excess to be a complete settlement and acquittance thereof.

(e) Interest Rate Calculations. Interest on each Loan shall be calculated on the basis of a year of three hundred sixty (360) days and shall be payable for the actual days elapsed. Each determination by the Bank of an interest rate or fee hereunder shall, absent manifest error, be conclusive and binding for all purposes, so long as such determination is made on a reasonable basis and in good faith.

Section 3.2. Use of Proceeds. The proceeds of the Revolving Credit Loans shall be used by the RLOC Borrower to finance the RLOC Borrower's general working capital requirements in the ordinary course of business, and the proceeds of the Real Estate Loan shall be used by the RE Borrower to partially fund the purchase of the Mortgaged Premises.

Section 3.3. Prepayments; Termination of Commitment.

(a) The Borrowers may prepay from time to time the then outstanding Loans, in whole or in part, without premium or penalty, upon irrevocable written notice to the Bank, specifying the date and amount of repayment. If such notice is given, the Borrowers shall make such repayment and the repayment amount specified in such notice shall be due and payable, on the date specified therein, together with accrued and unpaid interest to such date on the amount repaid to the Bank. Notwithstanding the foregoing, a notice of prepayment of the Obligations delivered by the Borrowers may state that such notice is conditioned upon the effectiveness of other credit facilities or securities offerings, in which case if such condition is not satisfied (i) such notice may be revoked by the Borrowers (by notice to the Bank on or prior to the specified effective date) or (ii) with the consent of the Bank (not to be unreasonably withheld, delayed or conditioned), the repayment date set forth in such notice may be extended.

(b) To the extent that the aggregate outstanding principal amount of Revolving Credit Loans exceeds the lesser of the Commitment and the Borrowing Base as then in effect, the RLOC Borrower shall, within five (5) Business Days, prepay the Revolving Credit Loans to the extent necessary to cause compliance therewith.

(c) Each prepayment of principal of a Loan pursuant to this Section 3.3 shall be accompanied by accrued and unpaid interest on the amount prepaid through the date of prepayment.

Section 3.4. Fees. The Borrowers shall pay the Bank a one-time facility fee on the Real Estate Loan in the amount of Twenty-One Thousand Two Hundred Fifty ($21,250) Dollars. The Bank acknowledges that Fifteen Thousand ($15,000) Dollars in respect of such fee has previously been paid by the Borrowers.

Section 3.5. Other Events.

(a) In the event that any introduction of or change in, on or after the date hereof, any applicable law, regulation, treaty, order, directive or in the interpretation or application thereof (including, without limitation, any request, guideline or policy, whether or not having the force of law, of or from any central bank or other governmental authority, agency or instrumentality and including, without limitation, Regulation D), by any authority charged with the administration or interpretation thereof shall occur, which: (i) shall subject the Bank to any tax of any kind whatsoever with respect to this Agreement, the Notes, the Loans, or change the basis of taxation of payments to the Bank of principal, interest, fees or any other amount payable hereunder (other than any tax that is measured with respect to the overall net income of the Bank or lending office of the Bank and that is imposed by the United States of America, or any political subdivision or taxing authority thereof or therein, or by any jurisdiction in which the Bank's lending office is located, or by any jurisdiction in which the Bank is organized, has its principal office or is managed and controlled); or (ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement (whether or not having the force of law) against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Bank; or (iii) shall impose on the Bank any other condition, or change therein directly relating to this Agreement, the Notes or the Loans; and the result of any of the foregoing is to increase the cost to the Bank of making, renewing or maintaining or participating in advances or extensions of credit hereunder or to reduce any amount receivable hereunder, in each case by an amount which the Bank reasonably deems material, then, in any such case, the Borrowers shall pay the Bank, upon demand, such additional amount or amounts as will reimburse the Bank for such increased costs or reduction.

(b) If the Bank shall have determined in its reasonable discretion that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or any lending office of the Bank) or the Bank's holding company, with any request or directive regarding capital adequacy (whether or not having the force of the law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Bank's capital or on the capital of the Bank's holding company as a consequence of its obligations hereunder to a level below that which the Bank could have achieved but for such adoption, change or compliance (taking into consideration the Bank's policies and the policies of the Bank's holding company with respect to capital adequacy) by an amount reasonably deemed by the Bank to be material, then from time to time, the Borrowers shall pay to the Bank, the additional amount or amounts as will reimburse the Bank or the Bank's holding company for such reduction directly relating to this Agreement, the Notes or the Loans.

(c) A certificate of the Bank prepared in good faith and setting forth the basis and calculation of any such determination, and the amount or amounts payable pursuant to Sections 3.5(a) and 3.5(b) above, shall be conclusive absent manifest error. The Borrowers shall pay the Bank the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

Section 3.6. Taxes. Except as required by law, all payments made by the Borrowers under this Agreement shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding income and franchise taxes imposed on the Bank by (a) the United States of America or any political subdivision or taxing authority thereof or therein, (b) the jurisdiction under the laws of which the Bank is organized or in which it has its principal office or is managed and controlled or any political subdivision or taxing authority thereof or therein, or (c) any jurisdiction in which the Bank's lending office is located or any political subdivision or taxing authority thereof or therein (such non-excluded taxes being called "Taxes"). If any Taxes are required to be withheld from any amounts payable to the Bank hereunder, or under the Notes, the amount so payable to the Bank shall be increased to the extent necessary to yield to the Bank (after payment of all Taxes and free and clear of all liability in respect of such Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes. If a Borrower fails to pay Taxes when due to the appropriate taxing authority the Borrowers shall indemnify the Bank for any incremental taxes, interest or penalties that may become payable by the Bank as a result of any such failure together with any actual expenses payable by the Bank in connection therewith.

Section 3.7. Disbursement of Loans. The Bank shall make the Loans available to the Borrowers by crediting an amount equal to the Loan to the Operating Account designated by Borrowers from time to time, unless otherwise agreed upon by the parties hereto.

Section 3.8. Payments.

(a) All payments (including prepayments) to be made by the Borrowers to the Bank on account of principal, interest, fees and reimbursement obligations shall be made without set-off or counterclaim and shall be made to the Bank, at the Payment Office of the Bank in Dollars in immediately available funds not later than 4:00 p.m., Ft. Lauderdale, Florida time, on the date on which they are payable.

(b) The Bank may, in its sole discretion while an Event of Default has occurred and is continuing, but shall not be obligated to, directly charge the Operating Account or one or more of the Borrowers other accounts at the Payment Office or other office of the Bank for all interest and principal payments due in respect of the Loans and all fees payable hereunder. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to enter into this Agreement and to make the Loans as provided herein, the Borrowers, jointly and severally, represent and warrant to the Bank as follows:

Section 4.1. Organization, Corporate Powers, etc. Each member of the Borrower Group (a) is a limited liability company or corporation duly formed, validly existing and in good standing under the laws of the State or Province in which it was formed, (b) has the organizational power and authority to own properties and to carry on its business as now being conducted, (c) is duly qualified to do business in every jurisdiction wherein the conduct of its business or the ownership of its properties are such as to require such qualification except where the failure to be qualified could not reasonably be expected to have a Material Adverse Effect, (d) has the organizational power to execute and perform each of the Loan Documents to which it is a party, (e) that is a Borrower has the power to borrow hereunder and to execute and deliver the Notes, and (f) is in compliance with all applicable federal, state and local laws, rules and regulations except where the failure to be in compliance could not reasonably be expected to have a Material Adverse Effect.

Section 4.2. Authorization of Borrowing, Enforceable Obligations. The execution, delivery and performance by the Borrowers of this Agreement, and by each member of the Borrower Group of the other Loan Documents to which any is a party, and the borrowings by the Borrowers hereunder, (a) have been duly authorized by all requisite corporate or company action, (b) will not violate or require any consent under the articles of organization, bylaws or other organizational documents of any member of the Borrower Group, except such consents as shall have been delivered to the Bank at Closing, (c) will not violate or require any consent under (i) any provision of law applicable to the Borrower Group, any governmental rule or regulation, except such consents as shall have been delivered to the Bank at Closing, or (ii) any order of any court or other agency of government binding on any member of the Borrower Group, any indenture, agreement or other instrument to which any member of Borrower Group is a party, or by which any member of the Borrower Group or any of its property is bound, except in each case for such violations which individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect, and (d) will not be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrower Group other than as contemplated by this Agreement or the other Loan Documents, except in each case for such breaches and defaults which individually or in the aggregate could not reasonably be expected to result in a Material Adverse Effect. This Agreement and each other Loan Document to which any member of the Borrower Group is a party constitutes a legal, valid and binding obligation of said party, enforceable against said party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

Section 4.3. Financial Condition. The Borrowers have heretofore furnished to the Bank the (a) consolidated balance sheet of the Borrower Group, the related consolidated statements of income and stockholders' equity and cash flow of the Borrower Group for the year ended December 31, 2017, audited by independent certified public accountants of recognized standing selected by the Borrowers and reasonably satisfactory to the Bank (the "CPA"), and (b) unaudited consolidated balance sheet of the Group, and the related consolidated statements of income, cash flow, and stockholders' equity of the Borrower Group, compiled by Borrowers' management, for the six months ended June 30, 2018. Such financial statements were prepared in conformity with GAAP consistently applied (except, with respect to the interim financial statements, for the absence of footnotes and normal year-end adjustments) and fairly present the financial position and results of operations of the Borrower Group as of the date of such financial statements and for the periods to which they relate and, since the date of such financial statements, no material adverse change in the business, operations or assets or financial condition of the Borrower Group has occurred. There are no material obligations or liabilities contingent or otherwise, of the Borrower Group which are not reflected on such statements other than obligations incurred in the ordinary course of business since the date of such financial statements.

Section 4.4. Taxes. All assessed deficiencies resulting from Internal Revenue Service examinations of the federal income tax returns of the Borrower Group have been discharged or reserved against in accordance with GAAP. The Borrowers have filed or caused to be filed (after giving effect to any extensions actually filed) all federal income tax returns and all other material tax returns that are required to be filed by any member of the Borrower Group, and has paid or has caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due, except where such taxes are being contested in good faith and have been reserved for in accordance with GAAP or for which the failure to make payment would not reasonably be expected to result in a Material Adverse Effect.

Section 4.5. Title to Properties. Each member of the Borrower Group has good and marketable title to its properties and assets necessary for the conduct of its business, except for such properties and assets as have been disposed of since the date of such financial statements as no longer used or useful in the conduct of its business, as have been disposed of in the ordinary course of business or as otherwise permitted by the Loan Documents, and all such properties and assets are free and clear of all Liens, except Permitted Liens.

Section 4.6. Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the any member of the Borrower Group) pending or, to the knowledge of the Borrowers, threatened against or affecting Borrower Group at law or in equity or before or by any Governmental Authority, which involve any of the Loan Documents or which, if adversely determined against any member of the Borrower Group, could reasonably be expected to result in a Material Adverse Effect; and no member of the Borrower Group is in default with respect to any judgment, writ, injunction, decree, rule or regulation of any Governmental Authority which default could reasonably be expected to result in a Material Adverse Effect.

Section 4.7. Agreements. No member of the Borrower Group is subject to any charter or other corporate restriction or any judgment, order, writ, injunction, decree or regulation which could reasonably be expected to have a Material Adverse Effect.

Section 4.8. Compliance with ERISA. Each Plan (if any) is in material compliance with ERISA; no Plan is insolvent or in reorganization, no Plan has an Unfunded Current Liability, and no Plan has an accumulated or waived funding deficiency or permitted decreases in its funding standard account within the meaning of Section 412 of the Code; no member of the Borrower Group nor any ERISA Affiliate has incurred any material liability to or on account of a Plan pursuant to Section 4062, 4063, 4064, 4201 or 4204 of ERISA or expects to incur any liability under any of the foregoing sections on account of the termination of participation in or contributions to any such Plan, no proceedings have been instituted to terminate any Plan, no condition known to Borrowers exists which presents a material risk to a member of the Borrower Group of incurring a liability to or on account of a Plan pursuant to the foregoing provisions of ERISA and the Code; no lien imposed under the Code or ERISA on the assets of the Borrower Group exists or is likely to arise on account of any Plan; and the Borrower Group may terminate contributions to any other employee benefit plans maintained by it without incurring any material liability to any person interested therein, excluding welfare benefits payable to employees or former employees of Borrower Group in the ordinary course of business.

Section 4.9. Federal Reserve Regulations; Use of Proceeds.

(a) Borrower Group is not engaged principally in, nor has as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States, as amended to the date hereof). If requested by the Bank, the Borrowers will furnish to the Bank such a statement on Federal Reserve Form U-1.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or to carry margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock, or to refund indebtedness originally incurred for such purposes, or (ii) for any purpose which violates or is inconsistent with the provisions of the Regulations T, U, or X of the Board of Governors of The Federal Reserve System.

(c) The proceeds of each Loan shall be used solely for the purposes permitted under Section 3.2.

Section 4.10. Approvals. As of the Closing Date, no registration with or consent or approval of, or other action by, any Governmental Authority or any other Person is required in connection with the execution, delivery and performance of this Agreement or the other Loan Documents by the Borrower Group, except such as has been delivered by Borrowers at Closing.

Section 4.11. Capitalization. As of the Closing Date: (a) the membership interests of the RLOC Borrower are held beneficially and of record by Adam Schoenfeld, Jacoby, Better Life Products, Inc., and Rochester Vapor Group, LLC, which membership interests are validly issued, outstanding, fully paid and non-assessable (to the extent applicable); and (b) the membership interests of the RE Borrower are held beneficially and of record by Warehouse Goods LLC, which membership interests are validly issued, outstanding, fully paid and non-assessable (to the extent applicable). Each entity Guarantor is a direct or indirect wholly owned subsidiary of the RLOC Borrower. RLOC Borrower owns beneficially all of the issued and outstanding equity interests or stock, as the case may be, of each entity Guarantor, which securities are validly issued, outstanding, fully paid and non-assessable (to the extent applicable). The equity interests of each Guarantor that is a limited liability company are uncertificated securities, and will remain such at all times this Agreement remains in effect.

Section 4.12. Hazardous Materials. To the best knowledge of the Borrowers, (a) the Borrower Group is in compliance with all federal, state or local laws, ordinances, rules, regulations or policies governing Hazardous Materials, (b) Borrower Group has not used Hazardous Materials on, from, or affecting any property now owned or occupied or hereafter owned or occupied by the Borrower Group in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and (c) no prior owner of any such property or any tenant, subtenant, prior tenant or prior subtenant have used Hazardous Materials on, from, or affecting such property in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, except, in the case of clauses (a), (b) and (c) of this Section, where failure to so comply could not reasonably be expected to have a Material Adverse Effect.

Section 4.13. Investment Company Act. No member of Borrower Group is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

Section 4.14. Security Document. Each Security Document shall constitute a valid and continuing lien on and security interest in the collateral referred to in such Security Document in favor of the Bank which shall be, upon the filing of the Uniform Commercial Code financing statements and Personal Property Security Act financing statements delivered on the Closing Date on behalf of Borrower Group at the Florida Secured Transactions Registry and Ontario, to the extent such lien may be perfected by the filing of a financing statement under the applicable Uniform Commercial Code or Personal Property Security Act, prior to all other Liens, claims and right of all other Persons other than Permitted Liens, and shall be enforceable as such against all other Persons other than the holders of Permitted Liens.

Section 4.15. No Default or Event of Default. No Default or an Event of Default has occurred and is continuing.

Section 4.16. Material Contracts. Each Material Contract of any member of Borrower Group (a) is in full force and effect and is binding upon and enforceable, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, against said party, as the case may be, and, to the knowledge of the Borrowers, all other parties thereto in accordance with its terms, and (b) to the knowledge of Borrowers, there exists no default under any Material Contract by any member of Borrower Group or, to the knowledge of the Borrowers, by any other party thereto, which in either case could reasonably be expected to have a Material Adverse Effect.

Section 4.17. Permits and Licenses. Borrower Group has all licenses, permits, franchises, or other governmental authorizations necessary to the ownership of its property or to the conduct of its activities, and shall obtain all such licenses, permits, franchises, or other governmental authorizations as may be required in the future, except where the failure to have or maintain any such license, permit, franchise or other governmental authorization could not reasonably be expected to have a Material Adverse Effect.

Section 4.18. Canadian Pension Plan and Benefit Plan Compliance. None of the Canadian Benefit Plans is a defined benefit plan or contain a defined benefit component. The Canadian Pension Plans are duly registered under the Income Tax Act (Canada) and Canadian Pension Legislation. Each member of Borrower Group and, to the best knowledge of the Borrower, each funding agent of a Canadian Benefit Plan, has complied with and performed all of its obligations under and in respect of the Canadian Benefit Plans under the terms thereof, any funding agreement and all applicable laws. All employer and employee contributions or premiums to be remitted or paid to or in respect of each Canadian Benefit Plan have been remitted or paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws. There have been no improper withdrawals or applications of the assets of any Canadian Benefit Plan, and there are no actions, suits or claims (other than routine claims for benefits) pending or threatened against any Canadian Benefit Plan or its assets, and no facts exist which could give rise to any such actions, suits or claims that might have a Material Adverse Effect.

Section 4.19. Anti-Terrorism Laws.

(a) No member of Borrower Group, nor an Affiliate of any the foregoing, is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) No member of Borrower Group, nor any Affiliate of any of the foregoing, or to her/his/its knowledge, its respective agents acting or benefiting in any capacity in connection with the Loans or other transactions hereunder, is any of the following (each a "Blocked Person"): (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; (v) a Person that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or (vi) a Person who is affiliated or associated with a person or entity listed above.

(c) No member of Borrower Group, nor to the knowledge of Borrowers any of its or their agents acting in any capacity in connection with the Loans or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order.

Section 4.20. Disclosure. All information heretofore furnished in writing by the Borrowers for purposes of or in connection with this Agreement or any other Loan Document was, and all such information hereafter furnished in writing by the Borrowers will be, in each case considered as a whole, true and accurate in all material respects on the date as of which such information is stated or certified. Notwithstanding the forgoing, no representation or warranty is given herein with respect to any projections other than that the information contained therein was based upon good faith estimates and assumptions believed to be reasonable at the time made, it being recognized by the Bank that such projections as to future events are not to be viewed as fact and that actual results during the period or periods covered by any such projections may differ from the projected results.

ARTICLE V
CONDITIONS OF LENDING

Section 5.1. Conditions To Real Estate Loan. The obligation of the Bank to make the Real Estate Loan hereunder is subject to the following conditions precedent:

(a) **Note.** On or prior to the Closing Date the Bank shall have received the Real Estate Note duly executed by the RE Borrower.

(b) **Other Loan Documents.** On or prior to the Closing Date, the Bank shall have received (i) the Security Documents duly executed by the Borrowers and the other signatories thereto; (ii) UCC-1 financing statements and PPSA financing statements, as the case may be, from Borrowers and each entity Guarantor, in a form deemed satisfactory by Bank; and (iii) each other Loan Document, duly executed by the signatories thereto.

(c) **Supporting Documents.** The Bank shall have received, on or prior to the Closing Date from each member of Borrower Group: (i) a certificate of an Executive Officer or manager, as the case may be, of such entity, dated the Closing Date and certifying (a) that attached thereto is a true and complete copy (including any amendments thereto) of the articles of incorporation, articles of organization, bylaws, and operating agreement, as the case may be, of such entity; (b) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors or managers, as the case may be, of such entity, authorizing the execution, delivery and performance of this Agreement and of each Loan Document to be delivered on the Closing Date to which it is a party and the borrowings hereunder; and (c) the incumbency and specimen signature of each Executive Officer or manager, as the case may be, of such entity executing each Loan Document and any certificates or instruments furnished pursuant hereto or thereto; and (ii) such other documents as the Bank may reasonably request.

(d) **No Material Adverse Effect.** There shall not have occurred any Material Adverse Effect since June 30, 2018.

(e) **Fees.** The Borrowers shall have paid Bank (i) all reasonable, out-of-pocket and documented costs and expenses actually incurred by the Bank in connection with the negotiation, preparation and execution of the Loan Documents (including, without limitation, such costs and expenses constituting fees and expenses of counsel), and (ii) all fees set forth in Section 3.4 of this Agreement.

(f) **Assets Free from Liens.** Concurrent with or prior to the Closing, the Borrowers shall deliver to the Bank UCC-3's terminating all UCC-1 financing statements filed against the assets of Borrowers or any entity Guarantor evidencing Liens that are not Permitted Liens.

(g) **Compliance With Governmental Requirements.** The intended use of the Mortgaged Premises complies in all material respects with all applicable Governmental Requirements and all restrictive covenants applicable to the Borrowers.

(h) **Insurance.** The Borrowers shall have provided (i) evidence of insurance in such form as the Bank may reasonably require evidencing property and hazard insurance, public liability, loss of rents/business interruption (12 months) and flood (if applicable) and with respect to the Mortgaged Premises, as required pursuant to the terms of this Agreement and the Mortgage, and (ii) evidence, in form and substance reasonably satisfactory to the Bank, that the Bank has been named mortgagee, lender's loss payee, additional insured, and certificate holder, as applicable, with respect to all policies of insurance covering the Mortgaged Premises. All such policies of insurance shall be issued by insurance companies and in such amounts as the Bank may reasonably require, and shall contain provisions for at least thirty (30) days' notice to the Bank prior to cancellation or reduction of coverage thereof.

(i) **Title Policy.** The Borrowers shall have provided the Bank with a "marked–up" commitment to issue a mortgagee's policy of title insurance issued by a title insurer approved by the Bank (or a pro-forma of such policy), insuring the Mortgage, in the principal amount of the Real Estate Note, without exception for filed or unfiled mechanics' liens or claims or matters of survey (other than survey matters shown on the survey provided pursuant to clause (k) below) or any other exception objectionable to the Bank, in its reasonable discretion, and with such endorsements as reasonably required by the Bank.

(j) **Survey.** The Bank shall have received an A.L.T.A. survey of the Mortgaged Premises prepared and certified by a registered surveyor or engineer showing or locating thereon all improvements, easements, encroachments and other matters of record and inspection on or in any way affecting the Mortgaged Premises, in form and substance satisfactory to the Bank in its reasonable discretion.

(k) **Pay-off Letter; Termination Statements; Release Statements and Satisfaction Pieces.** The Borrowers shall have provided the Bank with evidence reasonably satisfactory to the Bank that all necessary termination statements, release statements and mortgage satisfaction pieces in connection with any and all Liens with respect to the Borrowers or the Mortgaged Premises that are not Permitted Liens have been filed or satisfactory arrangements have been made for such filing (including payoff letters in form and substance reasonably satisfactory to the Bank).

(l) **Purchase Agreement.** The Bank shall have received a fully executed purchase agreement providing for the acquisition of the Mortgaged Premises by the RE Borrower, and all amendments and supplements thereto (the "Purchase Agreement"), which purchase agreement shall contain terms that are reasonably satisfactory to the Bank; all parties to the Purchase Agreement shall be in compliance with the terms thereof; and RE Borrower shall have closed on the acquisition of the Mortgaged Premises pursuant to the terms set forth in the Purchase Agreement.

(m) **Other Information, Documentation.** The Bank shall receive such other and further information and documentation as it may reasonably require.

Section 5.2. Conditions to All Loans. The obligation of the Bank to make each Loan hereunder is further subject to the following conditions precedent:

(a) **Representations and Warranties.** The representations and warranties by the Borrowers pursuant to this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the Borrowing Date, with the same effect as though such representations and warranties had been made on and as of such date unless such representation is as of a specific date, in which case, as of such date.

(b) **No Default.** No Default or Event of Default shall have occurred and be continuing on the Borrowing Date or will result after giving effect to the Loan requested.

Each borrowing hereunder shall constitute a representation and warranty of the Borrowers that the statements contained in clauses (a) and (b) of this Section 5.2 are true and correct on and as of the Borrowing Date as though such representation and warranty had been made on and as of such date.

ARTICLE VI
AFFIRMATIVE COVENANTS

Until the Commitment Period has expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, each Borrower covenants and agrees with the Bank that each member of the Borrower Group will:

Section 6.1. Corporate Existence, Properties, etc. Do or cause to be done all things necessary to preserve and keep in full force and effect its corporate or company existence and rights and comply with all laws applicable to it; at all times maintain, preserve and protect all trade names necessary for the operation of its business and preserve all of its property necessary in the conduct of its business and keep the same in good repair, working order and condition (normal wear and tear excepted), and from time to time make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments and improvements thereto so that the business carried on in connection therewith may be properly conducted at all times; at all times keep its insurable properties adequately insured and maintain (a) insurance to such extent and against such risks, including fire, as Borrowers have in place on the Closing Date, (b) workmen's compensation insurance in the amount required by applicable law, (c) public liability insurance as Borrower Group has in place on the Closing Date, against claims for personal injury or death on properties owned, occupied or controlled by it, (d) such other insurance as may be required by law or as may be reasonably required by the Bank. Each such policy of insurance of the Borrower Group shall name the Bank as lender loss payable with respect to business assets, lender loss payable and mortgagee with respect to real estate, and as additional insured and loss payee with respect to vehicles, and shall provide for at least thirty (30) days' prior written notice (or, with respect to non-payment, at least ten (10) days' prior written notice) to the Bank of any modification or cancellation of such policies. The Borrowers shall provide to the Bank promptly upon receipt thereof evidence of the annual renewal of each such policy.

Section 6.2. Payment of Indebtedness, Taxes, etc.

(a) Pay all Indebtedness and obligations, now existing or hereafter arising, as and when due and payable, except where (i) the validity, amount, or timing thereof is being contested in good faith and by appropriate proceedings, which proceedings shall include good faith negotiations, (ii) the Borrowers have set aside on their books adequate reserves with respect thereto in accordance with GAAP, and (iii) the failure to make such payment pending such contest could not reasonably be expected to have a Material Adverse Effect.

(b) Pay and discharge or cause to be paid and discharged promptly all taxes, assessments and government charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that the Borrowers shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings (which proceedings may include good faith negotiations), and the Borrowers, shall have set aside on their books adequate reserves determined in accordance with GAAP with respect to any such tax, assessment, charge, levy or claim so contested or the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

Section 6.3. Financial Statements, Tax Returns, Reports, etc.: Furnish to the Bank:

(a) within one hundred twenty (120) days of the end of each calendar year, commencing with the calendar year ending December 31, 2018, the consolidated and consolidating, unqualified financial statements of the Borrower Group which shall include the balance sheet of the Borrower Group as of the end of such fiscal year, together with the statements of income, cash flow and stockholders' equity for the Borrower Group subsidiaries for such fiscal year and as of the end of and for the prior fiscal year, all prepared in accordance with GAAP. The foregoing financial statements shall be audited by the CPA;

(b) within forty-five (45) days of the end of each calendar quarter, the management-prepared and Executive Officer-certified consolidated and consolidating financial statements of the Borrower Group which shall include the balance sheet of the Borrower Group as of the end of such quarter, together with the statements of income, cash flow and stockholders' equity for the Borrower Group for such quarter and as of the end of and for the prior fiscal year, all prepared in accordance with GAAP (except for the absence of footnotes and normal year-end adjustments);

(c) within forty-five (45) days of the end of each calendar quarter, the management-prepared and Executive Officer-certified compliance certificate which shall include covenant calculations and such other information as may be reasonably requested by the Bank;

(d) within fifteen (15) days of the end of each month, a Borrowing Base Certificate with the requisite supporting documentation as required thereby;

(e) within fifteen (15) days of the end of each month, a report setting forth the aging of Eligible Receivables, Eligible Inventory and accounts payable;

(f) tax returns for each of Aaron LoCascio and Adam Schoenfeld, within thirty (30) days of the date the individual in question files his tax returns. If a tax filing extension is filed, a copy thereof shall be provided to the Bank promptly;

(g) within sixty (60) days of the end of each calendar year, a personal financial statement and liquid asset statement for each of Aaron LoCascio and Adam Schoenfeld; and

(h) within fifteen (15) days of the request, from time to time, such other material information regarding the operations, business affairs and condition, financial or otherwise, of the Borrower Group as the Bank may reasonably request.

Section 6.4. Field Exam, Appraisals and Access to Premises and Records. Maintain financial records in accordance with GAAP and permit representatives of the Bank to conduct annual field exams and inventory appraisals (at Borrowers' expense) during which the Bank shall have access during normal business hours to the premises of the Borrower Group upon reasonable request, to examine and make excerpts from the minute books, books of accounts, reports and other records and to discuss the affairs, finances and accounts of the Borrower Group with its Executive Officers or with its CPA, and to conduct such additional field audits at the Borrowers' expense, as such representatives reasonably deem necessary.

Section 6.5. Notice of Adverse Change. Promptly notify the Bank in writing of (a) any change in the business or the operations which, in the good faith judgment of Borrowers' Executive Officers, could reasonably be expected to have a Material Adverse Effect, disclosing the nature thereof, and (b) any information which indicates that any financial statements which are the subject of any representation contained in this Agreement, or which are furnished to the Bank pursuant to this Agreement, failed, in any material respect, to present fairly the financial condition and results of operations purported to be presented therein for the period covered thereby, disclosing the nature thereof.

Section 6.6. Notice of Default. Promptly notify the Bank of any Default or Event of Default which shall have occurred, which notice shall include a written statement as to such occurrence, specifying the nature thereof and the action which is proposed to be taken with respect thereto.

Section 6.7. Notice of Litigation. Give the Bank prompt written notice of any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency (not previously disclosed to the Bank on or before the Closing Date) which, if adversely determined against the Borrower Group on the basis of the allegations and information set forth in the complaint or other notice of such action, suit or proceeding, or in the amendments thereof, if any, could reasonably be expected to either (a) have a Material Adverse Effect; or (b) result in a judgment in excess of Five Hundred Thousand ($500,000) Dollars.

Section 6.8. ERISA. Promptly deliver to the Bank a certificate by an Executive Officer of Borrowers setting forth details as to such occurrence and such action, if any, which the Borrower Group or such ERISA Affiliate is required or proposes to take, together with any notices required or proposed to be given to or filed with or by the Borrower Group, ERISA Affiliate, the PBGC, a Plan participant or the Plan Administrator, with respect thereto: that a Reportable Event has occurred, that an accumulated funding deficiency has been incurred or an application may be or has been made to the Secretary of the Treasury for a waiver or modification of the minimum funding standard (including any required installment payments) or an extension of any amortization period under Section 412 of the Code with respect to a Plan, that a Plan has been or may be terminated, reorganized, partitioned or declared insolvent under Title IV of ERISA, that a Plan has an Unfunded Current Liability giving rise to a lien under ERISA, that proceedings may be or have been instituted to terminate a Plan, that a proceeding has been instituted pursuant to Section 515 of ERISA to collect a delinquent contribution to a Plan, or that the Borrower Group or any ERISA Affiliate will or may incur any liability (including any contingent or secondary liability) to or on account of the termination of or withdrawal from a Plan under Section 4062, 4063, 4064, 4201 or 4204 of ERISA. The Borrowers will deliver to the Bank a complete copy of the annual report (Form 5500) of each Plan required to be filed with the Internal Revenue Service. In addition to any certificates or notices delivered to the Bank pursuant to the first sentence hereof, copies of annual reports and any other notices received by the Borrower Group required to be delivered to the Bank hereunder shall be delivered to the Bank no later than ten (10) days after the later of the date such report or notice has been filed with the Internal Revenue Service or the PBGC, given to Plan participants or received by the Borrower Group.

Section 6.9. Default in Other Agreements. Promptly notify the Bank of any default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which any member of Borrower Group is a party which could reasonably be expected to have a Material Adverse Effect.

Section 6.10. Banking Relationship. Maintain its primary commercial banking relationship with the Bank, including depository and treasury management services, provided, however, the Borrower Group may maintain secondary commercial banking relationships with other banks.

Section 6.11. Preservation of Business. Keep its business and properties necessary for the conduct of its business intact in all material respects (normal wear and tear excepted), including its present operations, physical facilities, working conditions, and relationships with suppliers and clients.

Section 6.12. Compliance with Laws; Pension Plans and Benefit Plans

(a) For each existing, or hereafter adopted, Canadian Benefit Plan, Borrower Group shall comply with and perform in all material respects all of its obligations under and in respect of the Canadian Benefit Plans under the terms thereof, any funding agreement and all applicable laws.

(b) All employer and employee contributions or premiums to be remitted or paid to or in respect of each Canadian Benefit Plan shall be remitted or paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws.

(c) The Borrowers shall deliver to the Bank (i) if requested by the Bank, copies of annual information returns, actuarial reports or other valuations with respect to a Canadian Pension Plan filed with any applicable Governmental Authority; (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that Borrower Group may receive from any applicable Governmental Authority with respect to any Canadian Pension Plan; (iii) notification within 30 days of any increases having a cost to the Borrower Group in excess of $100,000 per annum in the aggregate, in the cost of providing the Canadian Benefit Plans, including the establishment of any new Canadian Benefit Plan, or the commencement of contributions to any such plan to which Borrower Group was not previously contributing; and (iv) notification, as soon as possible and in any event within 30 days, after Borrowers know or have reason to know in the ordinary course of its business procedures that any of the following events or conditions have occurred or exist, setting forth details respecting such event or condition and the action, if any, which the Borrowers propose to take with respect thereto: (A) the institution by a pension regulator of proceedings under Canadian Pension Legislation for the termination, or the appointment of an administrator, of a Canadian Pension Plan, or the occurrence of any event or condition which constitutes grounds under applicable laws for the termination of, or the appointment of an administrator to administer, a Canadian Pension Plan; (B) the withdrawal by the any member of the Borrower Group from a MEPP, or the receipt by the Borrower Group of information to the effect that a MEPP will terminate or has terminated; (C) any occurrence or event that results, or could reasonably be expected to result, in the loss of a Canadian Pension Plan's registered status; (D) the failure to satisfy funding requirements under Canadian Pension Legislation; (E) the cessation of operations at a facility where employees participating in a Canadian Pension Plan are employed; and (F) the occurrence of an act or omission which is reasonably likely to give rise to the imposition on Borrower Group of fines, penalties, taxes or related charges under Canadian Pension Legislation or the Income Tax Act (Canada).

Section 6.13. Further Assurances. Upon the request of the Bank from time to time, the Borrowers shall, at their expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be reasonably necessary to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral (as defined in the Security Agreements) and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Loan Documents.

ARTICLE VII
NEGATIVE COVENANTS

Until the Commitment Period has expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, each Borrower covenants and agrees with the Bank that no member of Borrower Group will:

Section 7.1. Liens. Incur, create, assume or suffer to exist any Lien on any of its assets now or hereafter owned, other than the following (collectively, "Permitted Liens"):

(a) pledges or deposits, in a total amount that shall not exceed One Hundred Thousand ($100,000) Dollars without Bank's prior written consent, under workmen's compensation, unemployment insurance and social security laws or to secure statutory obligations or surety or appeal bonds or to secure indemnity, performance or other similar bonds in the ordinary course of business;

(b) Liens for taxes, assessments, fees or other governmental charges or the claims of material men, mechanics, carriers, warehousemen, landlords and other similar persons, the payment of which is not overdue or is being contested in good faith by appropriate proceedings (which may include good faith negotiations) (provided that the Borrowers have set aside on their books adequate reserves with respect thereto in accordance with GAAP (if any are so required), consistently applied, or for which the failure to make payment could not reasonably be expected to result in a Material Adverse Effect;

(c) Liens granted to the Bank and any of its Affiliates, including renewals and extensions thereof;

(d) Liens for property or equipment that is leased or financed by the Borrower Group (i.e., purchase money indebtedness);

(e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 8.1(h);

(f) easements, zoning restrictions, rights of way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower Group;

(g) unperfected Liens relating to trade payables for amounts which are not past due, attaching only to inventory purchased and which are granted to account creditors from whom the Borrower Group has purchased inventory in the ordinary course of business;

(h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs, duties and taxes in the ordinary course of business;

(i) Liens on insurance policies and the proceeds thereof securing the financing of the premiums; and

(j) Liens incidental to the conduct of the Borrower Group's business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially detract from or impair the Bank's rights in and to the Collateral (as defined in the Security Agreements) or the value of the Borrower Group's property or assets or which do not materially impair the use thereof in the operation of the Borrower Group's business.

Section 7.2. Indebtedness. Incur, create, assume or suffer to exist or otherwise become liable with respect to any Indebtedness, other than: (a) Indebtedness to the Bank and any of its Affiliates, including renewals and extensions thereof, (b) Subordinated Debt including renewals and extensions thereof, (c) indebtedness with respect to Capital Leases, (d) Indebtedness incurred as a result of Borrowers entering into non-speculative Hedge Agreements or any similar transactions used to hedge or mitigate risk, (e) unsecured Indebtedness consisting of obligations owed to trade creditors arising in the ordinary course of business and other obligations to employees, obligations to providers of utility services and obligations for taxes and similar types of Indebtedness evidencing obligations related to the day-to-day operation of the Borrower Group, (f) purchase money Indebtedness, and (g) Indebtedness between either Borrower and any Guarantor.

Section 7.3. Guaranties. Guarantee, endorse, become surety for, or otherwise in any way become or be responsible for the Indebtedness or obligations of any Person (other than Indebtedness permitted under Section 7.2), whether by agreement to maintain working capital or equity capital or otherwise maintain the net worth or solvency of any Person or by agreement to purchase the Indebtedness of any other Person, or agreement for the furnishing of funds, directly or indirectly, through the purchase of goods, supplies or services for the purpose of discharging the Indebtedness of any other Person or otherwise, or enter into or be a party to any contract for the purchase of merchandise, materials, supplies or other property if such contract provides that payment for such merchandise, materials, supplies or other property shall be made regardless of whether delivery of such merchandise, supplies or other property is ever made or tendered.

Section 7.4. Sale of Assets. Sell, assign, lease, transfer or otherwise dispose of any of its now owned or hereafter acquired properties and assets, whether or not pursuant to an order of a federal agency or commission, except for (a) the sale of inventory disposed of in the ordinary course of business, (b) the sale or other disposition of properties or assets no longer used or useful in the conduct of its businesses, (c) sales, transfers and dispositions to Affiliates not prohibited hereunder, (d) sales, transfers, discounts and dispositions permitted by Section 7.5, and (e) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower Group thereof.

Section 7.5. Sales of Notes. Sell, transfer, discount or otherwise dispose of notes, accounts receivable or other obligations owing to the Borrower Group, with or without recourse, except for collection in the ordinary course of business, without the prior written consent of Bank.

Section 7.6. Nature of Business. Change or alter the nature of its business, in any material respect, from the nature of the business engaged in by it on the date hereof and businesses reasonably related thereto.

Section 7.7. Federal Reserve Regulations. Permit any Loan or the proceeds of any Loan to be used for any purpose which violates or is inconsistent with the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

Section 7.8. Accounting Policies and Procedures; Tax Status. (a) Permit any change in the accounting policies and procedures of the Borrower Group, including a change in fiscal year, without the prior written consent of the Bank; provided, however, that any policy or procedure required to be changed by the FASB (or other board or committee of the FASB in order to comply with GAAP) may be so changed without the consent of the Bank, or (b) permit any change or take any action to change its tax status under the Code of the Borrower Group.

Section 7.9. Limitations on Fundamental Changes. Merge or consolidate with, or sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now or hereafter acquired) to any Person, or, liquidate, wind up or dissolve or suffer any liquidation or dissolution, or suffer to exist a Change of Control.

Section 7.10. Minimum Fixed Charge Coverage Ratio. Permit Borrower Group's Fixed Charge Coverage Ratio to be less than 1.25, as tested on March 31", June 30t^{h}, September 30th, and December 31" of each year during the Commitment Period. Testing will be performed using Borrower Group's financial statements for the trailing four (4) quarter period ending on the testing day.

Section 7.11. Transactions with Affiliates. Other than as otherwise set forth herein, enter into any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate, except in the ordinary course of business and upon fair and reasonable terms no less favorable to the Borrower Group than it would obtain in a comparable arms-length transaction with a Person not an Affiliate. For purposes of this Section 7.11, "Affiliate" does not include Niche Fishing Charters LLC, a Florida limited liability company.

Section 7.12. Anti-Terrorism Laws. (a) Conduct any business or engage in any transaction or dealing with any Blocked Person, including making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order, the USA Patriot Act or any other Anti-Terrorism Law. The Borrowers shall deliver to the Bank any certification or other evidence requested from time to time by the Bank in its sole discretion, confirming the Borrower Group's compliance with this Section 7.12.

Section 7.13. Compliance with Pension and Benefit Plans. Establish any new Canadian Pension Plan which is a defined benefit plan or which contains a defined benefit component. Borrower Group shall not permit pension or other employee benefit plan obligation and liabilities to remain unfunded other than in accordance with applicable law. Borrower Group shall not voluntarily terminate any Canadian Pension Plan which is a defined benefit plan or which contains a defined benefit component.

ARTICLE VIII
EVENTS OF DEFAULT

Section 8.1. Events of Default. In the case of the happening of any of the following events (each an 'Event of Default"):

(a) failure by the Borrowers to pay the principal of or any interest on any Loan or any fees or other amounts payable under this Agreement or any other Loan Document;

(b) default shall be made in the due observance or performance any covenant, condition or agreement of the Borrowers to be performed pursuant to this Agreement or of the Borrowers or their Affiliates to be performed pursuant to any other Loan Document;

(c) any representation or warranty made or deemed made in this Agreement or any other Loan Document shall prove to be false or misleading in any material respect when made or given or when deemed made or given;

(d) any written report, certificate, financial statement or other instrument furnished in connection with this Agreement or any other Loan Document or the borrowings hereunder, shall prove to be false or misleading in any material respect when made or given or when deemed made or given;

(e) default in the performance or compliance in respect of any agreement or condition relating to any Indebtedness of the Borrower Group (other than the Indebtedness created under this Agreement), individually or in the aggregate, with a then-outstanding principal balance of One Hundred Thousand ($100,000) Dollars, if the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holder or obligee thereof (or a trustee on behalf of such holder or obligee) to cause such Indebtedness to become due prior to the stated maturity thereof;

(f) any member of Borrower Group shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the employment of a receiver, trustee, custodian, or similar official for any member of Borrower Group or for a substantial part of its property; (iv) file an answer admitting the material allegations of a petition filed against it in such proceeding, (v) make a general assignment for the benefit of creditors, (vi) take corporate action for the purpose of effecting any of the foregoing, (vii) become unable or admit in writing its inability or fail generally to pay its debts as they become due or (viii) take corporate action for the purpose of effecting any of the foregoing;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any member of the Borrower Group or of a substantial part of its property under Title 11 of the United States Code or any other federal or state bankruptcy insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, or similar official for any member of the Borrower Group or for a substantial part of its property, or (iii) the winding-up or liquidation of any member of the Borrower Group and such proceeding or petition shall continue undismissed for ninety (90) days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for ninety (90) days;

(h) One or more orders, judgments or decrees for the payment of money not covered by insurance shall be rendered against a member of Borrower Group and the same shall not have been paid in accordance with such judgment, order or decree, which by itself or together with all other such judgments is in excess of One Hundred Thousand ($100,000) Dollars, and either (i) an enforcement proceeding shall have been commenced by any creditor upon such judgment, order or decree, or (ii) there shall have been a period of forty-five (45) consecutive days during which a stay of enforcement of such judgment, order or decree, by reason of pending appeal or otherwise, was not in effect;

(i) any Plan shall fail to maintain the minimum funding standard required for any Plan year or part thereof or a waiver of such standard or extension of any amortization period is sought or granted under Section 412 of the Code, any Plan is the subject of termination proceedings under ERISA, any Plan shall have an Unfunded Current Liability, a Reportable Event shall have occurred with respect to a Plan or the Borrower Group or any ERISA Affiliate shall have incurred a liability in excess of Five Hundred Thousand ($500,000) Dollars to or on account of a Plan under Section 515, 4062, 4063, 4063, 4201 or 4204 of ERISA, and there shall result from any such event or events the imposition of a lien upon the assets of the Borrower Group, the granting of a security interest, or a liability to the PBGC or a Plan or a trustee appointed under ERISA or a penalty under Section 4971 of the Code;

(j) any Loan Document or any material provision thereof shall for any reason cease to be in full force and effect in accordance with its terms or a member of the Borrower Group shall so assert in writing;

(k) any of the Liens purported to be granted pursuant to any Security Document shall cease for any reason to be legal, valid and enforceable liens on the collateral purported to be covered thereby or shall cease to have the priority purported to be created thereby, unless such Lien has been released by the Bank in accordance with the terms and conditions hereof or as a result of the failure of the Bank to file UCC continuation statements after notice from the Borrowers to file same;

(l) any Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of a Guaranty, or any Guarantor shall fail to comply with any of the terms or provisions of the Guaranty to which it is a party;

then, at any time thereafter during the continuance of any such event, the Bank may, in its sole discretion, without notice to the Borrowers, take any or all of the following actions, at the same or different times, (x) (a) terminate the Commitment and the Loans and (b) declare (i) the Notes, both as to principal and interest, and (ii) all other Obligations, to be forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding and (y) exercise any or all of the rights and remedies afforded to the Bank by the Uniform Commercial Code, the Personal Property Security Act or otherwise possessed by the Bank; provided, however, that if an event specified in Section 8.1(f) or (g) shall have occurred, the Commitments and the Loans shall automatically terminate and interest, principal and amounts referred to in the preceding clauses (i) and (ii) shall be immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived, anything contained herein or in the Notes to the contrary notwithstanding.

ARTICLE IX
MISCELLANEOUS

Section 9.1. Notices. Any notice or other communication shall be in writing and shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which it was delivered to such party at the address set forth below, or, if sent by email, when actually received, or, if sent by registered or certified mail, on the third Business Day after the day on which it was mailed in the United States, addressed to such party at the address set forth below:

(a) if to the Bank, at:

Fifth Third Bank
2333 Ponce de Leon Blvd, Suite 303
Coral Gables, FL 33134
Attention: Vivian Alvarez Premock, Senior Vice President
Email: Vivian.Premock@53.com

With copies to:

Dickinson Wright PLLC
350 East Las Olas Boulevard, Ste. 1750
Fort Lauderdale, FL 33301
Attention: Clint J. Gage, Esq.
Email: cgage@dickinsonwright.com

(b) if to the Borrower, at:

Jacoby & Co. Inc.
6501 Park of Commerce Blvd., Suite 200
Boca Raton, FL 33487
Attention: Aaron LoCascio, Chief Executive Officer
Email: Aaron@gnln.com

With copies to:

Pryor Cashman LLP
7 Times Square
New York, NY 10036
Attention: Jeffrey C. Johnson, Esq.
Email: jjohnson@pryorcashman.com

as to each such party at such other address as such party shall have designated to the other in a written notice complying as to delivery with the provisions of this Section 9.1.

Section 9.2. Effectiveness; Survival of Agreement. This Agreement shall become effective on the date on which all parties hereto shall have signed a counterpart copy hereof and shall have delivered the same to the Bank. All covenants, agreements, representations and warranties made herein and in the other Loan Documents and in the certificates delivered pursuant hereto or thereto shall survive the making by the Bank of the Loans herein contemplated and the execution and delivery to the Bank of the Note evidencing the Loans and shall continue in full force and effect so long as any Note is unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrowers which are contained in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Bank. The Borrowers may not assign or transfer any of their interest under this Agreement, the Notes, or any other Loan Document without the prior written consent of the Bank. The obligations of the Borrowers pursuant to Section 9.3 and Section 9.10 shall survive termination of this Agreement and payment of the Obligations.

Section 9.3. Expenses of the Bank. Each Borrower agrees (a) to indemnify, defend and hold harmless the Bank and its officers, directors, employees, agents, advisors and affiliates (each, an "indemnified person") from and against any and all losses, claims, damages, liabilities or judgments to which any such indemnified person may be subject and arising out of or in connection with the Loan Documents, the financings contemplated hereby, the use of any proceeds of such financings or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any of such indemnified persons is a party thereto, and to reimburse each of such indemnified persons upon notice and demand for any reasonable, out-of-pocket and documented expenses, including such expenses constituting legal fees, actually incurred in connection with the investigation or defending any of the foregoing; provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities, judgments or related expenses to the extent arising from the breach of contract, willful misconduct or gross negligence of such indemnified person; and (b) to reimburse the Bank from time to time, upon notice and demand, all reasonable, out-of-pocket and documented expenses (including, but not limited to, such expenses of its due diligence investigation, appraisal fees, environmental assessment fees and title insurance fees, along with disbursements and reasonable fees of counsel) actually incurred in connection with the financings contemplated under this Agreement (except where the Bank has specifically agreed herein to incur non-reimbursable expenses), the preparation, execution and delivery of this Agreement and the other Loan Documents, any amendments and waivers hereof or thereof, the security arrangements contemplated thereby and the enforcement thereof.

Section 9.4. No Waiver of Rights by the Bank. Neither any failure nor any delay on the part of the Bank in exercising any right, power or privilege hereunder or under the Notes or any other Loan Document shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege.

Section 9.5. Submission to Jurisdiction; Jury Waiver. EACH BORROWER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT IN THE STATE OF FLORIDA, COUNTY OF MIAMI-DADE, IN ANY ACTION, SUIT OR PROCEEDING BROUGHT AGAINST IT AND RELATED TO OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH BORROWER HEREBY WAIVES AND AGREES NOT TO ASSERT BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER, OR THAT THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY OTHER DOCUMENT OR INSTRUMENT REFERRED TO HEREIN OR THEREIN WHERE THE SUBJECT MATTER THEREOF MAY NOT BE LITIGATED IN OR BY SUCH COURTS. EACH BORROWER AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT BY CERTIFIED OR REGISTERED MAIL TO THE ADDRESS FOR NOTICES SET FORTH IN THIS AGREEMENT OR ANY METHOD AUTHORIZED BY THE LAWS OF FLORIDA. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OTHER LOAN DOCUMENT.

Section 9.6. Extension of Maturity. Except as otherwise expressly provided herein, whenever a payment to be made hereunder shall fall due and payable on any day other than a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall be included in computing interest.

Section 9.7. Modification of Agreement. No modification or amendment or waiver of any provision of this Agreement, the Notes, or any other Loan Document shall in any event be effective unless the same shall be in writing and signed by the Bank and the Borrowers, and no waiver of any provision of this Agreement, the Notes, or any other Loan Document, nor consent to any departure by the Borrowers therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrowers in any case shall entitle the Borrowers to any other or further notice or demand in the same, similar or other circumstance unless required by the terms of this Agreement.

Section 9.8. Severability. In case any one or more of the provisions contained in this Agreement, the Notes, or in any other Loan Document should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 9.9. Sale of Participations; Assignments. The Bank reserves the right to sell participations in the Loans to such banks, lending institutions or other parties as it may choose with notice to the Borrowers. The Bank reserves the right to sell and assign its rights, duties or obligations with respect to the Loans to such banks, lending institutions or other parties as it may choose but only with the prior written consent of the Borrowers not to be unreasonably withheld or delayed (provided that no such consent of the Borrowers shall be required if an Event of Default shall have occurred and be continuing). The Bank may furnish any information concerning the Borrowers in its possession from time to time to any assignee or participant (or proposed assignee or participant), provided that the Bank shall notify any such assignee or participant (or proposed assignee or participant) in connection with any contemplated participation in, or assignment of, the Loans, that such information is confidential and shall obtain an agreement from such transferee or participant requiring that such transferee or participant treat such information as confidential and use commercially reasonable efforts to maintain the confidentiality of same.

Section 9.10. Reinstatement; Certain Payments. If claim is ever made upon the Bank for repayment or recovery of any amount or amounts received by the Bank in payment or on account of any of the Obligations under this Agreement, the Bank shall give prompt notice of such claim to the Borrowers, and if the Bank repays all or part of said amount by reason of (a) any judgment, decree or order of any court or administrative body having jurisdiction over the Bank or any of its property, or (b) any settlement or compromise of any such claim effected by the Bank with any such claimant, then and in such event the Borrowers agree that any such judgment, decree, order, settlement or compromise shall be binding upon such Borrowers notwithstanding the cancellation of the Notes or other instrument(s) evidencing the Obligations under this Agreement or the termination of this Agreement, and the Borrowers shall be and remain liable to the Bank hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by the Bank.

Section 9.11. Right of Setoff. If an Event of Default shall have occurred and be continuing, the Bank and each other Affiliate of the Bank are each hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Borrowers against any and all the Obligations. The rights of the Bank under this Section 9.11 are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Bank may have.

Section 9.12. Confidentiality. The Bank agrees to take normal and reasonable precautions to maintain the confidentiality of any non-public information relating to the Borrowers or their business, other than any such information that is available to the Bank on a non-confidential basis prior to disclosure by the Borrowers, except that such information may be disclosed (a) to any Affiliate, director, officer, employee, agent, advisor, legal counsel, consultants or other representatives of the Bank, on a confidential basis with, in each case, a need to know such information in connection with the transactions contemplated by this Agreement, (b) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (c) to the extent requested by any regulatory agency or authority purporting to have jurisdiction over it (including any self-regulatory authority such as the National Association of Insurance Commissioners), (d) to the extent that such information becomes publicly available other than as a result of a breach of this Section, or which becomes available to the Bank or any Affiliate, director, officer, employee, agent, advisor, legal counsel, consultants or other representatives of the Bank on a non-confidential basis from a source other than the Borrowers or any Affiliate thereof, (e) in connection with the exercise of any remedy hereunder or under any other Loan Documents or any suit, action or proceeding relating to this Agreement or any other Loan Documents or the enforcement of rights hereunder or thereunder, (f) subject to execution by such Person of an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement, or (ii) any actual or prospective party to any swap or derivative or other transaction under which payments are to be made by reference to the Borrowers and their obligations, this Agreement or payments hereunder, or (g) with the prior written consent of the Borrowers.

Section 9.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart to this Agreement by facsimile transmission or by electronic mail shall be as effective as delivery of a manually executed counterpart hereof.

Section 9.14. Headings. Section headings used herein are for convenience of reference only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

Section 9.15. Construction. This Agreement is the result of negotiations between, and has been reviewed by, the Borrowers and the Bank and their respective counsel. Accordingly, this Agreement shall be deemed to be the product of each party hereto, and no ambiguity shall be construed in favor of or against either the Borrowers or the Bank.

Section 9.16. USA PATRIOT Act; Anti-Money Laundering Legislation . Each Borrower acknowledges that, pursuant to the Anti-Terrorism Laws, and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, whether within the United States, Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Bank may be required to obtain, verify and record information regarding Borrowers, their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of Borrowers, and the transactions contemplated hereby. Borrowers shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

Section 9.17. Judgment Currency. If for the purpose of obtaining a judgment in any court it is necessary to convert any amount owing or payable to Bank under this Agreement or any Loan Document from the currency in which it is due (the "Agreed Currency") into a particular currency (the "Judgment Currency"), the rate of exchange applied in that conversion shall be that at which Bank, in accordance with its normal procedures, could purchase the Agreed Currency with the Judgment Currency at or about noon on the Business Day immediately preceding the date on which judgment is given. The obligation of the Borrowers in respect of any amount owing or payable under this Agreement to Bank in the Agreed Currency shall, notwithstanding any judgment and payment in the Judgment Currency, be satisfied only to the extent that the Bank, in accordance with its normal procedures, could purchase the Agreed Currency with the amount of the Judgment Currency so paid at or about noon on the next Business Day following that payment; and if the amount of the Agreed Currency which the Bank could so purchase is less than the amount originally due in the Agreed Currency the Borrowers shall, as a separate obligation and notwithstanding the judgment or payment, indemnify Bank against any loss.

Section 9.18. Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Florida without giving effect to principles of conflict or choice of laws.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Borrowers and the Bank have caused this Agreement to be duly executed by their duly authorized officers, as of the day and year first above written.

FIFTH THIRD BANK

By: /s/ Vivian Alvarez Premock
Name: Vivian Alvarez Premock
Title: Senior Vice President

GREENLANE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

1095 BROKEN SOUND PKWY, LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Borrowers and the Bank have caused this Agreement to be duly executed by their duly authorized officers, as of the day and year first above written.

FIFTH THIRD BANK

By: _____
Name: Vivian Alvarez Premock
Title: Senior Vice President

GREENLANE HOLDINGS, LLC

By: /s/ Aaron Locascio
Name: Aaron Locascio
Title: CO-PRESIDENT

1095 BROKEN SOUND PKWY, LLC

By: /s/ Aaron Locascio
Name: Aaron Locascio
Title: CO-PRESIDENT

EXHIBIT A

NOTICE OF REVOLVING CREDIT LOAN BORROWING

[Date]

Fifth Third Bank
2333 Ponce de Leon Blvd., Suite 303
Coral Gables, FL 33134
Attention: Vivian Alvarez Premock, South Florida Middle Market — Team Lead

Re: **GREENLANE HOLDINGS, LLC**

Gentlemen:

Pursuant to the Credit Agreement dated as of October 1, 2018 (as the same may have been and may hereafter be amended, modified or supplemented the "Credit Agreement") by and between the undersigned RLOC Borrower, 1095 Broken Sound Pkwy LLC, and the Bank, the RLOC Borrower hereby gives the Bank notice that RLOC Borrower requests a Revolving Credit Loan as follows:

1. The requested Borrowing Date is _____

2. The amount of the requested borrowing is $_____, which shall be deposited into the Operating Account (as designated by RLOC Borrower from time to time) on_____ (date).

The RLOC Borrower hereby certifies that (i) the representations and warranties contained in the Credit Agreement and the other Loan Documents are true, correct and complete in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except for such representations and warranties that are made as of a specific date; (ii) no Default or Event of Default has occurred and is continuing under the Credit Agreement or will result after giving effect to the Loan requested hereunder; and (iii) the amount of the proposed borrowing hereunder will not cause the aggregate outstanding principal amount of Revolving Credit Loans (after giving effect to the proposed borrowing requested hereunder) to exceed the lesser of the Commitment or the Borrowing Base set forth in the last Borrowing Base Certificate delivered to the Bank.

Capitalized terms used herein but not defined shall have the respective meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, RLOC Borrower has caused this document to be executed and delivered by its Executive Officer as of the date written above.

GREENLANE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

Exhibit 10.9

GREENLANE HOLDINGS, INC.

2019 EQUITY INCENTIVE PLAN

1. ***Purpose***.

The Plan's purpose is to enhance the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing these individuals with equity ownership opportunities. Capitalized terms used in the Plan are defined in Section 11.

2. ***Eligibility***.

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

3. ***Administration and Delegation***.

(a) *Administration.* The Plan is administered by the Administrator. The Administrator has authority to determine which Service Providers receive Awards, grant Awards and set Award terms and conditions, subject to the conditions and limitations in the Plan. The Administrator also has the authority to take all actions and make all determinations under the Plan, to interpret the Plan and Award Agreements and to adopt, amend and repeal Plan administrative rules, guidelines and practices as it deems advisable. The Administrator may correct defects and ambiguities, supply omissions and reconcile inconsistencies in the Plan or any Award or Award Agreement as it deems necessary or appropriate to administer the Plan and any Awards. The Administrator's determinations under the Plan are in its sole discretion and will be final and binding on all persons having or claiming any interest in the Plan or any Award. The Administrator's determinations under the Plan need not be uniform and may be made selectively among Participants, whether or not such Participants are similarly situated.

(b) *Appointment of Committees; Delegation of Powers.* To the extent Applicable Laws permit, the Board may delegate any or all of its powers under the Plan to one or more Committees. The Board may also delegate to an executive officer of the Company the authority to grant Awards to Service Providers that are not subject to Section 16 of the Exchange Act. The Board may rescind any such delegation at any time or re-vest in itself any previously delegated authority at any time.

4. ***Stock Available for Awards***.

(a) *Number of Shares.* Subject to adjustment under Section 8 and the terms of this Section 4, Awards may be made under the Plan covering up to the Overall Share Limit. Shares issued under the Plan may consist of authorized but unissued Shares, Shares purchased on the open market or treasury Shares.

(b) *Share Recycling.* If all or any part of an Award expires, lapses or is terminated, exchanged for cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, in any case, in a manner that results in the Company acquiring Shares covered by the Award for less than Fair Market Value or not issuing any Shares covered by the Award, the unused Shares covered by the Award will, as applicable, become or again be available for Award grants under the Plan. In addition, Shares tendered by the Participant or withheld by the Company in payment of the exercise price of an Option or to satisfy any tax withholding obligation with respect to an Award will, as applicable, become or again be available for Award grants under the Plan.

(c) *Incentive Stock Option Limitations.* Notwithstanding anything to the contrary herein, no more than [●][1] Shares may be issued pursuant to the exercise of Incentive Stock Options, and no Shares may again be optioned, granted or awarded if it would cause an Incentive Stock Option not to qualify as an Incentive Stock Option.

(d) *Substitute Awards*. In connection with an entity's merger or consolidation with the Company or the Company's acquisition of an entity's property or stock, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted before such merger or consolidation by such entity or its affiliate. Substitute Awards may be granted on such terms as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Substitute Awards will not count against the Overall Share Limit, except that Shares acquired by exercise of substitute Incentive Stock Options will count against the maximum number of Shares that may be issued pursuant to the exercise of Incentive Stock Options under the Plan.

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1 NTD: Share amounts to be determined based on the number of outstanding post-offering shares.

5. ***Stock Options and Stock Appreciation Rights***.

(a) *General.* The Administrator may grant Options or Stock Appreciation Rights to Service Providers subject to the limitations in the Plan, including Section 5(f) with respect to Incentive Stock Options. The Administrator will determine the number of Shares covered by each Option and Stock Appreciation Right, the exercise price of each Option and Stock Appreciation Right and the conditions and limitations applicable to the exercise of each Option and Stock Appreciation Right. A Stock Appreciation Right shall entitle the Participant (or other person entitled to exercise the Stock Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Stock Appreciation Right (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the exercise price per share of the Stock Appreciation Right from the Fair Market Value on the date of exercise of the Stock Appreciation Right by the number of Shares with respect to which the Stock Appreciation Right shall have been exercised, subject to any limitations of the Plan or as the Administrator may impose.

(b) *Exercise Price.* The Administrator will establish each Option's and Stock Appreciation Right's exercise price and specify the exercise price in the Award Agreement. The exercise price will not be less than 100% of the Fair Market Value on the grant date of the Option or Stock Appreciation Right.

(c) *Duration of Options.* Each Option or Stock Appreciation Right will be exercisable at such times and as specified in the Award Agreement, provided that the term of an Option or Stock Appreciation Right will not exceed ten years.

(d) *Exercise; Notification of Disposition.* Options and Stock Appreciation Rights may be exercised by delivering to the Company a written notice of exercise, in a form the Administrator approves (which may be electronic), signed by the person authorized to exercise the Option or Stock Appreciation Right, together with, as applicable, payment in full (i) as specified in Section 5(e) for the number of Shares for which the Award is exercised and (ii) as specified in Section 9(e) for any applicable withholding taxes. Unless the Administrator otherwise determines, an Option or Stock Appreciation Right may not be exercised for a fraction of a Share.

(e) *Payment Upon Exercise.* The exercise price of an Option must be paid in cash or by check payable to the order of the Company or, subject to Section 10(h), any Company insider trading policy (including blackout periods) and Applicable Laws, by:

(i) if there is a public market for Shares at the time of exercise, unless the Administrator otherwise determines, (A) delivery (including telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price, or (B) the Participant's delivery to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price;

(ii) delivery (either by actual delivery or attestation) of Shares owned by the Participant valued at their Fair Market Value, provided (A) such payment method is then permitted under Applicable Laws, (B) such Shares, if acquired directly from the Company, were owned by the Participant for a minimum time period that the Company may establish and (C) such Shares are not subject to repurchase, forfeiture, unfulfilled vesting or other similar requirements; or

(iii) any other mechanism that the Administrator, in its sole discretion, determines to be appropriate for a Participant, which the Administrator can determine on a case by case basis and any such determination with respect to one Participant shall not bind the Administrator with respect to any other Participant.

(f) *Additional Terms of Incentive Stock Options.* The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of its present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. No person qualifying as a Greater Than 10% Stockholder may be granted an Incentive Stock Option, unless such Incentive Stock Option conforms to Section 422 of the Code. If an Incentive Stock Option is granted to a Greater Than 10% Stockholder, the exercise price will not be less than 110% of the Fair Market Value on the Option's grant date, and the term of the Option will not exceed five years. The Administrator may modify an Incentive Stock Option with the holder's consent to disqualify such Option as an Incentive Stock Option. All Options intended to qualify as Incentive Stock Options will be subject to and construed consistently with Section 422 of the Code. By accepting an Incentive Stock Option, the Participant agrees to give prompt notice to the Company of dispositions or other transfers (other than in connection with a Change in Control) of Shares acquired from the Option made within (i) two years from the grant date of the Option or (ii) one year after the transfer of such Shares to the Participant, specifying the date of the disposition or other transfer and the amount the Participant realized, in cash, other property, assumption of indebtedness or other consideration, in such disposition or other transfer. Neither the Company nor the Administrator will be liable to a Participant, or any other party, (i) if an Option (or any part thereof) intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (ii) for the Administrator's actions or omissions that cause an Option not to qualify as an Incentive Stock Option, including the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to qualify as an Incentive Stock Option. Any Option that is intended to qualify as an Incentive Stock Option, but fails to qualify for any reason, including the portion of any Option becoming exercisable with respect to Shares having a fair market value exceeding the $100,000 limitation under Treasury Regulation Section 1.422-4, will be a Non-Qualified Stock Option.

6. ***Restricted Stock; Restricted Stock Units***.

(a) *General*. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the Company's right to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares if issued at no cost) if conditions the Administrator specifies in the Award Agreement are not satisfied before the end of the applicable restriction period or periods that the Administrator establishes for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during applicable restriction period or periods, as set forth in an Award Agreement. The Administrator will determine and set forth in the Award Agreement the terms and conditions for each Restricted Stock and Restricted Stock Unit Award, subject to the conditions and limitations contained in the Plan.

(b) *Restricted Stock*.

(i) *Dividends*. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares, unless the Administrator provides otherwise in the Award Agreement. In addition, unless the Administrator provides otherwise, if any dividends or distributions are paid in Shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the Shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. All such dividend payments will be made no later than March 15 of the calendar year following the calendar year in which the right to the dividend payment becomes nonforfeitable.

(ii) *Stock Certificates*. The Company may require that the Participant deposit in escrow with the Company (or its designee) any stock certificates issued in respect of shares of Restricted Stock, together with a stock power endorsed in blank.

(c) *Restricted Stock Units*.

(i) *Settlement*. When a Restricted Stock Unit vests, the Participant will be entitled to receive from the Company one Share, an amount of cash or other property equal to the Fair Market Value of one Share on the settlement date or a combination of both, as the Administrator determines and as provided in the Award Agreement. The Administrator may provide that settlement of Restricted Stock Units will occur upon or as soon as reasonably practicable after the Restricted Stock Units vest or will instead be deferred, on a mandatory basis or at the Participant's election, in a manner intended to comply with Section 409A.

(ii) *Stockholder Rights*. A Participant will have no rights of a stockholder with respect to Shares subject to any Restricted Stock Unit unless and until the Shares are delivered in settlement of the Restricted Stock Unit.

7. ***Other Stock or Cash Based Awards; Dividend Equivalents***.

(a) *Other Stock or Cash Based Awards*. Other Stock or Cash Based Awards may be granted to Participants, including Awards entitling Participants to receive Shares to be delivered in the future and including annual or other period or long-term cash bonus awards (whether based on specified Performance Criteria or otherwise), in each case subject to the conditions and limitations in the Plan. Such Other Stock or Cash Based Awards will also be available as a payment form in the settlement of other Awards, as standalone payments and as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock or Cash Based Awards may be paid in Shares, cash or other property, as the Administrator determines. Subject to the provisions of the Plan, the Administrator will determine the terms and conditions of each Other Stock or Cash Based Award, including any purchase price, performance goal (which may be based on the Performance Criteria), transfer restrictions, and vesting conditions, which will be set forth in the applicable Award Agreement.

(b) *Dividend Equivalents*. If the Administrator provides, a grant of Restricted Stock Units or an Other Stock Award may provide a Participant with the right to receive Dividend Equivalents, and no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights. Dividend Equivalents may be paid currently or credited to an account for the Participant, settled in cash or Shares and subject to the same restrictions on transferability and forfeitability as the Award with respect to which the Dividend Equivalents are paid and subject to other terms and conditions as set forth in the Award Agreement. All such Dividend Equivalent payments will be made no later than March 15 of the calendar year following the calendar year in which the right to the Dividend Equivalent payment becomes nonforfeitable, unless determined otherwise by the Administrator.

8. ***Adjustments for Changes in Common Stock and Certain Other Events***

(a) In connection with any Equity Restructuring, notwithstanding anything to the contrary in this Section 8, the Administrator will equitably adjust each outstanding Award as it deems appropriate to effect the Equity Restructuring, which may include adjusting the number and type of securities subject to each outstanding Award and/or the Award's exercise price or grant price (if applicable), granting new Awards to Participants, and making a cash payment to Participants. The adjustments provided under this Section 8(a) will be nondiscretionary and final and binding on the affected Participant and the Company; provided that the Administrator will determine whether an adjustment is equitable.

(b) In the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award, then the Administrator may, in such manner as it may deem equitable, adjust any or all of:

(i) the number and kind of Shares (or other securities or property) with respect to which Awards may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 4 hereof on the maximum number and kind of shares which may be issued and specifically including for the avoidance of doubt adjustments to the Incentive Stock Option limitation set forth in Section 4(c));

(ii) the number and kind of Shares (or other securities or property) subject to outstanding Awards;

(iii) the grant or exercise price with respect to any Award; and

(iv) the terms and conditions of any Awards (including, without limitation, any applicable financial or other performance "targets" specified in an Award Agreement).

(c) In the event of any transaction or event described in Section 8(b) hereof (including without limitation any Change in Control) or any unusual or nonrecurring transaction or event affecting the Company or the financial statements of the Company, or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take such actions as it deems appropriate, including, but not limited to, any one or more of the following actions:

(i) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the vested portion of such Award may be terminated without payment;

(ii) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(iii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iv) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards;

(v) To replace such Award with other rights or property selected by the Administrator; and/or

(vi) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

(d) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other extraordinary transaction or change affecting the Shares or the share price of Common Stock, including any Equity Restructuring or any securities offering or other similar transaction, for administrative convenience, the Administrator may refuse to permit the exercise of any Award for up to 60 days before or after such transaction.

(e) Except as expressly provided in the Plan or the Administrator's action under the Plan, no Participant will have any rights due to any subdivision or consolidation of Shares of any class, dividend payment, increase or decrease in the number of Shares of any class or dissolution, liquidation, merger, or consolidation of the Company or other corporation. Except as expressly provided with respect to an Equity Restructuring under Section 8(a) above or the Administrator's action under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, will affect, and no adjustment will be made regarding, the number of Shares subject to an Award or the Award's grant or exercise price. The existence of the Plan, any Award Agreements and the Awards granted hereunder will not affect or restrict in any way the Company's right or power to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including securities with rights superior to those of the Shares or securities convertible into or exchangeable for Shares. The Administrator may treat Participants and Awards (or portions thereof) differently under this Section 8.

(f) No action shall be taken under this Section 8 which shall cause an Award to fail to comply with Section 409A of the Code or the Treasury Regulations thereunder, to the extent applicable to such Award.

9. ***General Provisions Applicable to Awards***

(a) *Transferability.* Except as the Administrator may determine or provide in an Award Agreement or otherwise, in accordance with Applicable Laws (and subject to the applicable requirements for Shares underlying Awards to be registered on Form S-8 under the Securities Act), Awards may not be sold, assigned, transferred, pledged or otherwise encumbered, either voluntarily or by operation of law, except by will or the laws of descent and distribution, or, subject to the Administrator's consent, pursuant to a DRO, and, during the life of the Participant, will be exercisable only by the Participant. Any permitted transfer of an Award hereunder shall be without consideration, except as required by Applicable Law. References to a Participant, to the extent relevant in the context, will include references to a Participant's authorized transferee that the Administrator specifically approves under Applicable Laws.

(b) *Documentation.* Each Award will be evidenced in an Award Agreement, as the Administrator determines. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) *Discretion.* Except as the Plan otherwise provides, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

(d) *Termination of Status.* The Administrator will determine how the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status affects an Award and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

(e) *Withholding.* Each Participant must pay the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by law to be withheld in connection with such Participant's Awards by the date of the event creating the tax liability. In satisfaction of the foregoing requirement or in satisfaction of any additional tax withholding, the Company may satisfy, or may allow a Participant to satisfy, such obligations by any payment means described in Section 5(e) hereof, including, without limitation, by withholding, or allowing such Participant to elect to have the Company or an affiliate withhold, Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a fair market value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in the applicable jurisdiction, in accordance with Company policies and at the discretion of the Administrator. The Administrator shall determine the fair market value of the Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of Shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

(f) *Amendment of Award.* The Administrator may amend, modify or terminate any outstanding Award, including by substituting another Award of the same or a different type, changing the exercise or settlement date, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action will be required unless (i) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant, or (ii) the change is permitted under Section 8 or pursuant to 10(f).

(g) *Conditions on Delivery of Stock.* The Company will not be obligated to deliver any Shares under the Plan or remove restrictions from Shares previously delivered under the Plan until (i) all Award conditions have been met or removed to the Company's satisfaction, (ii) as determined by the Company, all other legal matters regarding the issuance and delivery of such Shares have been satisfied, including any applicable securities laws and stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy any Applicable Laws. The Company's inability to obtain authority from any regulatory body having jurisdiction, which the Administrator determines is necessary to the lawful issuance and sale of any securities, will relieve the Company of any liability for failing to issue or sell such Shares as to which such requisite authority has not been obtained.

(h) *Acceleration.* The Administrator may at any time provide that any Award will become immediately vested and fully or partially exercisable, free of some or all restrictions or conditions, or otherwise fully or partially realizable.

(i) *Repricing*. Subject to Section 8, the Administrator shall have the authority, without the approval of the stockholders of the Company, to (i) authorize the amendment of any outstanding Option or Stock Appreciation Right to reduce its price per share, or (ii) cancel any Option or Stock Appreciation Right in exchange for cash or another Award when the Option or Stock Appreciation Right price per share exceeds the Fair Market Value of the underlying Shares. In addition, subject to Section 8, the Administrator shall have the authority, without the approval of the stockholders of the Company, to amend any outstanding Award to increase the price per share or to cancel and replace an Award with the grant of an Award having a price per share that is greater than or equal to the price per share of the original Award.

(j) *Cash Settlement*. Without limiting the generality of any other provision of the Plan, the Administrator may provide, in an Award Agreement or subsequent to the grant of an Award, in its discretion, that any Award may be settled in cash, Shares or a combination thereof.

10. ***Miscellaneous***.

(a) *No Right to Employment or Other Status.* No person will have any claim or right to be granted an Award, and the grant of an Award will not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an Award Agreement.

(b) *No Rights as Stockholder; Certificates.* Subject to the Award Agreement, no Participant or Designated Beneficiary will have any rights as a stockholder with respect to any Shares to be distributed under an Award until becoming the record holder of such Shares. Notwithstanding any other provision of the Plan, unless the Administrator otherwise determines or Applicable Laws require, the Company will not be required to deliver to any Participant certificates evidencing Shares issued in connection with any Award and instead such Shares may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on stock certificates issued under the Plan that the Administrator deems necessary or appropriate to comply with Applicable Laws.

(c) *Effective Date and Term of Plan.* The Plan will become effective on the date it is adopted by the Board. No Awards may be granted under the Plan after ten years from the earlier of (i) the date the Board adopted the Plan or (ii) the date the Company's stockholders approved the Plan, but Awards previously granted may extend beyond that date in accordance with the Plan. If the Plan is not approved by the Company's stockholders in accordance with Section 422 of the Code, the Plan and any Awards granted under the Plan shall be null and void and of no force and effect.

(d) *Amendment of Plan.* The Administrator may amend, suspend or terminate the Plan at any time; provided that no amendment, other than an increase to the Overall Share Limit may materially and adversely affect any Award outstanding at the time of such amendment without the affected Participant's consent. Awards outstanding at the time of any Plan suspension or termination will continue to be governed by the Plan and the Award Agreement, as in effect before such suspension or termination. The Board will obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

(e) *Provisions for Foreign Participants.* The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

(f) *Section 409A.*

(i) *General*. The Company intends that all Awards be structured to comply with, or be exempt from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply. Notwithstanding anything in the Plan or any Award Agreement to the contrary, the Administrator may, without a Participant's consent, amend this Plan or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and retroactive actions) as are necessary or appropriate to preserve the intended tax treatment of Awards, including any such actions intended to (A) exempt this Plan or any Award from Section 409A, or (B) comply with Section 409A, including regulations, guidance, compliance programs and other interpretative authority that may be issued after an Award's grant date. The Company makes no representations or warranties as to an Award's tax treatment under Section 409A or otherwise. The Company will have no obligation under this Section 10(f) or otherwise to avoid the taxes, penalties or interest under Section 409A with respect to any Award and will have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute noncompliant, "nonqualified deferred compensation" subject to taxes, penalties or interest under Section 409A.

(ii) *Separation from Service*. If an Award constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award upon a termination of a Participant's Service Provider relationship will, to the extent necessary to avoid taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or after the termination of the Participant's Service Provider relationship. For purposes of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms means a "separation from service."

(iii) *Payments to Specified Employees*. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" required to be made under an Award to a "specified employee" (as defined under Section 409A and as the Administrator determines) due to his or her "separation from service" will, to the extent necessary to avoid taxes under Section 409A(a)(2)(B)(i) of the Code, be delayed for the six-month period immediately following such "separation from service" (or, if earlier, until the specified employee's death) and will instead be paid (as set forth in the Award Agreement) on the day immediately following such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award payable more than six months following the Participant's "separation from service" will be paid at the time or times the payments are otherwise scheduled to be made.

(iv) *Separate Payments*. Each payment made under this Plan shall be designated as a "separate payment" within the meaning of Section 409A.

(g) *Limitations on Liability.* Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, and such individual will not be personally liable with respect to the Plan because of any contract or other instrument executed in his or her capacity as an Administrator, director, officer, other employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company that has been or will be granted or delegated any duty or power relating to the Plan's administration or interpretation, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising from any act or omission concerning this Plan unless arising from such person's own fraud or bad faith.

(h) *Lock-Up Period*. The Company may, at the request of any underwriter representative or otherwise, in connection with registering the offering of any Company securities under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any Shares or other Company securities during a period of up to 180 days following the effective date of a Company registration statement filed under the Securities Act, or such longer period as determined by the underwriter.

(i) *Data Privacy*. As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this paragraph by and among the Company and its Affiliates exclusively for implementing, administering and managing the Participant's participation in the Plan. The Company and its Affiliates may hold certain personal information about a Participant, including the Participant's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its Affiliates; and Award details, to implement, manage and administer the Plan and Awards (the "***Data***"). The Company and its Affiliates may transfer the Data amongst themselves as necessary to implement, administer and manage a Participant's participation in the Plan, and the Company and its Affiliates may transfer the Data to third parties assisting the Company with Plan implementation, administration and management. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 10(i) in writing, without cost, by contacting the local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents in this Section 10(i). For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

(j) *Severability*. If any portion of the Plan or any action taken under it is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provisions had been excluded, and the illegal or invalid action will be null and void.

(k) *Governing Documents*. If any contradiction occurs between the Plan and any Award Agreement or other written agreement between a Participant and the Company (or any Affiliate) that the Administrator has approved, the Plan will govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan will not apply.

(l) *Governing Law*. The Plan and all Awards will be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding any state's choice-of-law principles requiring the application of a jurisdiction's laws other than the State of Delaware.

(m) *Claw-back Provisions*. All Awards (including any proceeds, gains or other economic benefit the Participant actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award) will be subject to any Company claw-back policy implemented to the comply with Applicable Laws, including any claw-back policy adopted to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, as set forth in such claw-back policy or the Award Agreement.

(n) *Titles and Headings*. The titles and headings of the Sections in the Plan are for convenience of reference only and, if any conflict, the Plan's text, rather than such titles or headings, will control.

(o) *Conformity to Securities Laws*. Participant acknowledges that the Plan is intended to conform to the extent necessary with Applicable Laws. Notwithstanding anything herein to the contrary, the Plan and all Awards will be administered only in conformance with Applicable Laws. To the extent Applicable Laws permit, the Plan and all Award Agreements will be deemed amended as necessary to conform to Applicable Laws.

(p) *Relationship to Other Benefits.* No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Affiliate except as expressly provided in writing in such other plan or an agreement thereunder.

(q) *Grant of Awards to Certain Eligible Service Providers.* The Company may provide through the establishment of a formal written policy (which shall be deemed a part of this Plan) or otherwise for the method by which Common Stock or other securities of the Company may be issued and by which such Common Stock or other securities and/or payment therefor may be exchanged or contributed, or may be returned upon any forfeiture of Common Stock or other securities by the eligible Service Provider.

(r) *Section 83(b) Election.* No Participant may make an election under Section 83(b) of the Code with respect to any Award under the Plan without the consent of the Administrator, which the Administrator may grant (prospectively or retroactively) or withhold in its sole discretion. If, with the consent of the Administrator, a Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Participant would otherwise be taxable under Section 83(a) of the Code, the Participant shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

11. ***Definitions***. As used in the Plan, the following words and phrases will have the following meanings:

(a) "***Administrator***" means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

(b) "***Affiliate***" means (a) Greenlane Holdings, LLC, and (b) any Subsidiary.

(c) "***Applicable Accounting Standards***" means the U.S. Generally Accepted Accounting Principles, International Financial Reporting Standards or other accounting principles or standards applicable to the Company's financial statements under U.S. federal securities laws.

(d) "***Applicable Laws***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted.

(e) "***Award***" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units or Other Stock or Cash Based Awards.

(f) "***Award Agreement***" means a written agreement evidencing an Award, which may be electronic, that contains such terms and conditions as the Administrator determines, consistent with and subject to the terms and conditions of the Plan.

(g) "***Board***" means the Board of Directors of the Company.

(h) "***Change in Control***" means and includes each of the following:

(i) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its subsidiaries, any employee benefit plan maintained by the Company or any of its subsidiaries, any Significant Stockholder, or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(ii) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 11(h)(i) or 11(h)(iii)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the Directors then still in office who either were Directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction: (A) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and (B) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 11(h)(iii)(B) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(iv) The consummation of a liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any portion of an Award that provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in subsection (i), (ii), (iii) or (iv) with respect to such Award (or portion thereof) must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A.

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, and the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

(i) "***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(j) "***Committee***" means one or more committees or subcommittees comprised of one or more Company directors or executive officers, to the extent Applicable Laws permit. To the extent required to comply with the provisions of Rule 16b-3, it is intended that each member of the Committee will be, at the time the Committee takes any action with respect to an Award that is subject to Rule 16b-3, a "non-employee director" within the meaning of Rule 16b-3; however, a Committee member's failure to qualify as a "non-employee director" within the meaning of Rule 16b-3 will not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan.

(k) "***Common Stock***" means the Class A common stock of the Company.

(l) "***Company***" means Greenlane Holdings, Inc., a Delaware corporation, or any successor.

(m) "***Consultant***" means any person, including any adviser, engaged by the Company or its parent or Affiliate to render services to such entity if the consultant or adviser: (i) renders *bona fide* services to the Company; (ii) renders services not in connection with the offer or sale of securities in a capital-raising transaction and does not directly or indirectly promote or maintain a market for the Company's securities; and (iii) is a natural person.

(n) "***Designated Beneficiary***" means the beneficiary or beneficiaries the Participant designates, in a manner the Administrator determines, to receive amounts due or exercise the Participant's rights if the Participant dies or becomes incapacitated. Without a Participant's effective designation, "Designated Beneficiary" will mean the Participant's estate.

(o) "***Director***" means a Board member.

(p) "***Dividend Equivalents***" means a right granted to a Participant under Section 7(b) to receive the equivalent value (in cash or Shares) of dividends paid on Shares.

(q) "***DRO***" means a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

(r) "***Employee***" means any employee of the Company or its Affiliates.

(s) "***Equity Restructuring***" means, as the Administrator determines, a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, affecting the Shares (or other Company securities) or the share price of Common Stock (or other Company securities) and causing a change in the per share value of the Common Stock underlying outstanding Awards.

(t) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(u) "***Fair Market Value***" means, as of any date, the value of Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the first market trading day immediately before such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the date immediately before such date on which sales prices are reported, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; or (iii) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in its discretion.

Notwithstanding the foregoing, with respect to any Award granted after the effectiveness of the Company's registration statement relating to its initial public offering and prior to the Public Trading Date, the Fair Market Value shall mean the initial public offering price of a Share as set forth in the Company's final prospectus relating to its initial public offering filed with the Securities and Exchange Commission.

(v) "***Greater Than 10% Stockholder***" means an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or its subsidiary or parent corporation, as defined in Section 424(e) and (f) of the Code, respectively.

(w) "***Incentive Stock Option***" means an Option intended to qualify as an "incentive stock option" as defined in Section 422 of the Code.

(x) "***Non-Qualified Stock Option***" means an Option, or portion thereof, not intended or not qualifying as an Incentive Stock Option.

(y) "***Option***" means an option to purchase Shares.

(z) "***Other Stock or Cash Based Awards***" means cash awards, awards of Shares, and other awards valued wholly or partially by referring to, or are otherwise denominated in, based on or linked to, Shares or other property.

(aa) **"*Overall Share Limit*"** means the sum of (i) [●] Shares and (ii) an annual increase on the first day of each calendar year beginning January 1, 2020 and ending on and including January 1, 2028, equal to the least of (A) [●], (B) 5% of the aggregate number of shares of the Company's Class A Common Stock and the Company's Class B common stock plus one-third of the Company's Class C common stock outstanding on the final day of the immediately preceding calendar year and (C) such smaller number of Shares as is determined by the Board.

(bb) "***Participant***" means a Service Provider who has been granted an Award.

(cc) "***Performance Criteria***" means mean the criteria (and adjustments) that the Administrator may select for an Award to establish performance goals for a performance period.

(dd) "***Performance Goals***" shall mean, for a Performance Period, one or more goals established by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, Performance Goals may be expressed in terms of overall Company performance or the performance of an Affiliate, division, operating or business unit, or an individual.

(ee) "***Performance Period***" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Holder's right to, and the payment of, an Award.

(ff) "***Plan***" means this 2019 Equity Incentive Plan.

(gg) "***Public Trading Date***" shall mean the first date upon which Common Stock is listed upon notice of issuance on any securities exchange or designated upon notice of issuance as a national market security on an interdealer quotation system.

(hh) "***Restricted Stock***" means Shares awarded to a Participant under Section 6 subject to certain vesting conditions and other restrictions.

(ii) "***Restricted Stock Unit***" means an unfunded, unsecured right to receive, on the applicable settlement date, one Share or an amount in cash or other consideration determined by the Administrator to be of equal value as of such payment date, subject to certain vesting conditions and other restrictions.

(jj) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act.

(kk) "***Section 409A***" means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

(ll) "***Securities Act***" means the Securities Act of 1933, as amended.

(mm) "***Service Provider***" means an Employee, Consultant or Director of the Company or any subsidiary of the Company.

(nn) "***Shares***" means shares of Common Stock.

(oo) "***Significant Stockholder***" shall mean any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) that, immediately following the issuance of Common Stock and Class B common stock to holders of equity interests in Greenlane Holdings, LLC in connection with the Company's initial public offering and prior to the Public Trading Date, holds 10% or more of the total combined voting power of all classes of common stock of the Company (ignoring for purposes of such calculation any Common Stock issued in connection with the Company's initial public offering to persons or entities other than the holders of equity interests in Greenlane Holdings, LLC).

(pp) "***Stock Appreciation Right***" means a stock appreciation right granted under Section 5.

(qq) "***Subsidiary***" means any entity (other than the Company or Greenlane Holdings, LLC), whether domestic or foreign, in an unbroken chain of entities beginning with the Company or Greenlane Holdings, LLC if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

(rr) "***Termination of Service***" means the date the Participant ceases to be a Service Provider.

***

Exhibit 10.10

Execution Version

CONTRIBUTION AGREEMENT

DATED AS OF FEBRUARY 20, 2018

BY AND AMONG

JACOBY HOLDINGS LLC,

THE SELLERS NAMED HEREIN,

AND

BETTER LIFE PRODUCTS, INC., AS SELLER REPRESENTATIVE

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EXHIBITS

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "***Agreement***"), dated as of the 20th day of February, 2018, is made and entered into by and among Jacoby Holdings LLC, a Delaware limited liability company (the "***Purchaser***"), the persons listed as Sellers on the signature page hereof (each a "***Seller***" and collectively the "***Sellers***"), and Better Life Products, Inc., a California corporation ("***BLP***"), as Seller Representative. Capitalized terms used, but not defined herein shall have the meanings ascribed to them in Exhibit A attached hereto.

WITNESSETH:

WHEREAS, the Sellers, collectively, are the owners of all of the issued and outstanding limited liability company membership interests (the "***Contributed Interests***") of Better Life Holdings, LLC, a Delaware limited liability company (the "***Company***"), in the amounts and Percentage Interests set forth onExhibit B, attached hereto; and

WHEREAS, the Purchaser desires to receive from each Seller, and each Seller desires to contribute to the Purchaser, the Contributed Interests upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

ARTICLE I
CONTRIBUTION OF THE EQUITY INTERESTS

Section 1.01. Contribution of the Contributed Interests. On the terms and subject to the conditions set forth in this Agreement and on the basis of the representations, warranties, covenants and agreements herein contained, the Purchaser hereby receives, acquires and accepts from each Seller, and each Seller hereby contributes, transfers, assigns, conveys and delivers to the Purchaser, all of such Seller's right, title and interest in and to the Contributed Interests to be contributed by such Seller pursuant to this Agreement, in accordance with the terms of the Governing Documents of the Company, free and clear of all Encumbrances (other than any restrictions under the Securities Act or applicable state securities Laws).

Section 1.02. Contribution Consideration. As consideration for the contribution and transfer of the Contributed Interests, the Purchaser shall issue to each of the Sellers (the "***Contribution Consideration***"), pro rata based on each such Seller's Percentage Interest, membership interests representing in the aggregate ten percent (10.0%) of the issued and outstanding membership interests of the Purchaser (the "***Jacoby Interests***"), in accordance with the terms of the Governing Documents of the Purchaser and free and clear of all Encumbrances (other than any restrictions under the Securities Act or applicable state securities Laws or as set forth in the Purchaser's Governing Documents).

Section 1.03. Withholding. Notwithstanding any provision contained herein to the contrary, Purchaser shall be entitled to deduct and withhold from any consideration payable to any Seller pursuant to this Agreement to the extent required under any provision of Tax Law. If the Purchaser so deducts or withholds amounts and timely pays them to the appropriate Governmental Entity, such amounts shall be treated for all purposes of this Agreement as having been paid to such Seller in respect of which such deduction, withholding and payment was made.

Section 1.04. Tax Treatment. It is the intent of the Purchaser and the Sellers that, for U.S. federal income tax purposes, the contribution by the Sellers of the Contributed Interests in exchange for the Jacoby Interests be governed by Section 721 of the Code. The parties shall not take any action or position inconsistent with this Section 1.04, except as otherwise required by Law.

ARTICLE II
CLOSING

Section 2.01. Closing Date. The closing of the transactions contemplated by this Agreement (the "***Closing***") shall take place concurrently with the execution of this Agreement (the "***Closing Date***"), effective as of 11:59 p.m. on the Closing Date, provided that the Parties have received, or waived the receipt of, the deliverables set forth in Sections 2.02 and 2.03. In lieu of an in-person Closing, the Closing may instead be accomplished by electronic transmission to the respective offices of legal counsel for the parties of the requisite documents, duly executed where required, delivered upon actual confirmed receipt. The parties hereto acknowledge and agree that all proceedings to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously on the Closing Date, and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

Section 2.02. Deliveries by the Seller Representative. At the Closing, the Seller Representative shall deliver (or cause to be delivered) to the Purchaser originals or copies, if specified, of the following:

(a) assignments or other instruments of transfer with respect to all of the Contributed Interests as requested by the Purchaser, duly endorsed in blank, and, to the extent the Contributed Interests are certificated, certificates representing all of the Contributed Interests;

(b) a signature page to the amended and restated operating agreement of the Purchaser dated as of the date hereof (the "***Jacoby Operating Agreement***"), in form and substance satisfactory to the Purchaser, in its reasonable discretion, duly executed by each of the Sellers;

(c) a personal guarantee of the payment obligations of each of the Sellers under this Agreement, in form and substance satisfactory to the Purchaser, in its reasonable discretion, duly executed by the beneficial owner of BLP;

(d) a pledge agreement, in form and substance satisfactory to the Purchaser, in its reasonable discretion, duly executed by each Seller, pledging the Jacoby Interests as collateral security for each such Seller's payment obligations arising under this Agreement;

(e) resignations of those officers, directors and managers of the Company identified in writing by the Purchaser at least one (1) day prior to the Closing, effective as of the Closing Date;

(f) counterparts of all other agreements, documents and instruments required to be delivered by the Seller Representative and/or the Sellers pursuant to this Agreement or any of the Related Agreements, duly executed by such Seller Representative and/or Seller(s);

(g) copies of each consent, waiver, authorization and approval required in connection with the consummation of the transactions contemplated hereby, including those contemplated pursuant to Section 4.04 of this Agreement, in each case, in form and substance satisfactory to the Purchaser;

(h) a Certificate of Good Standing of the Company issued by the Secretary of State of the State of Delaware and of each other state or jurisdiction in which the Company is qualified to do business, dated within five (5) Business Days of the Closing Date;

(i) a copy of all Governing Documents of the Company, including: (i) the Certificate of Formation or similar document of the Company, together with all amendments thereto, certified as true, complete and correct by the Secretary of State of the State of Delaware; and (ii) the Amended and Restated Operating Agreement of the Company, together with all amendments thereto and/or restatements thereof (the "***Operating Agreement***") certified as true, complete and correct and in full force and effect by the Manager of the Company;

(j) a certificate from the corporate secretary (or similar officer or beneficial owner) of each Seller that is a non-individual Person dated as of the Closing Date and certifying (i) that correct and complete copies of the Governing Documents of such Seller are attached thereto and (ii) that correct and complete copies of the resolutions of the Persons governing such Seller approving this Agreement, the Related Agreements, and the transactions contemplated hereby and thereby are attached thereto;

(k) affidavits dated as of the Closing Date in form and substance reasonably satisfactory to the Purchaser, sworn under penalty of perjury and in form and substance required under Section 1446(f) of the Code and the Treasury Regulations issued pursuant to Section 1445 of the Code stating that each Seller is not a "foreign person" as defined in Section 1445 of the Code;

(l) evidence in form and substance reasonably satisfactory to the Purchaser of the termination of any related party agreements to be identified by the Purchaser;

(m) evidence of revised bank access documentation providing Aaron LoCascio and Adam Schoenfeld with access and control upon Closing over the accounts referenced in Schedule 4.27 from and after Closing;

(n) consulting agreements duly executed by each of BLP and Clive Fleissig, in substantially the form attached hereto as Exhibit C-1 and C-2, respectively (collectively, the "***Consulting Agreements***"); and

(o) all other documentation reasonably requested by the Purchaser.

Section 2.03. Deliveries by the Purchaser. At the Closing, the Purchaser shall deliver (or cause to be delivered) originals or copies, if specified, of the following agreements, documents and other items:

(a) the Consulting Agreements duly executed by the Purchaser;

(b) counterparts of all agreements, documents and instruments required to be delivered by the Purchaser pursuant to this Agreement or any of the Related Agreements, duly executed by the Purchaser;

(c) certificates to each Seller representing the Jacoby Interests, to the extent certificated, pro rata based on each Seller's Percentage Interest in the aggregate of ten percent (10.0%);

(d) copies of each consent, waiver, authorization and approval required in connection with the consummation of the transactions contemplated hereby, including those contemplated pursuant to Section 5.03 of this Agreement, in each case, in form and substance satisfactory to the Seller Representative;

(e) a certificate from the corporate secretary (or similar officer or beneficial owner) of Purchaser dated as of the Closing Date and certifying that correct and complete copies of the Governing Documents of Purchaser are attached thereto; and

(f) all other documentation reasonably requested by the Seller Representative.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Each of the Sellers, severally and not jointly (and solely with respect to himself), hereby represents and warrants to the Purchaser that, solely with respect to such Seller, the statements contained in this Article III are true, correct and complete as of the date hereof.

Section 3.01. Organization; Power; Capacity. Such Seller has all requisite power and authority, and legal capacity, to: (a) execute and deliver this Agreement and the Related Agreements to which such Seller is a party; (b) to carry out such Seller's obligations hereunder and thereunder; (c) to comply with and fulfill the terms and conditions of this Agreement and the Related Agreements to which such Seller is a party; and (d) to consummate the transactions contemplated hereby and thereby.

Section 3.02. Authorization and Validity of Agreement. The execution, delivery and performance of this Agreement and the other Related Agreements to which such Seller is a party have been duly authorized by such Seller. This Agreement has been, and each other Related Agreement to which such Seller is a party have been, duly executed and delivered by such Seller and constitutes such Seller's valid and binding obligation enforceable against such Seller in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a proceeding at law or equity).

Section 3.03. Title to the Contributed Interests. Such Seller has good and marketable title to, and is the sole record and beneficial owner of, all of the Contributed Interests to be contributed by such Seller pursuant to this Agreement, free and clear of all Encumbrances or any restrictions on transfer (other than any restrictions under the Securities Act or applicable state securities Laws). Such Seller has complete and unrestricted power and the unqualified right to contribute, convey, assign, transfer and deliver such Seller's respective portion of the Contributed Interests, and the instruments of assignment and transfer to be executed and delivered by such Seller to the Purchaser at the Closing shall be valid and binding obligations of such Seller. At the Closing, such Seller shall transfer to the Purchaser good and marketable title to the Contributed Interests to be sold by such Seller pursuant to this Agreement, free and clear of all Encumbrances or any restrictions on transfer, other than any restrictions under the Securities Act or applicable state securities Laws.

Section 3.04. No Conflict; Required Filings and Consents. The execution, delivery and consummation of this Agreement by such Seller does not, and the execution, delivery and consummation of the Related Agreements to which such Seller is a party and the performance of this Agreement and such Related Agreements will not: (a) violate in any material respect any Law applicable to such Seller or which affects the Contributed Interests to be sold by such Seller; (b)(i) require any consent or approval other than as set forth in this Agreement or (ii) violate or result in any breach of or constitute (with or without due notice or the passage of time or both) a default under any judicial consent, order, decree or any Contract to which such Seller is a party or to which the Contributed Interests to be sold by such Seller are subject; or (c) result in the imposition of any Encumbrance or restriction on such Seller's Contributed Interests (with or without due notice or the passage of time or both).

Section 3.05. Litigation. To such Seller's Knowledge, there are no Proceedings pending or threatened against or affecting such Seller, which would affect the ability of such Seller to consummate the transactions contemplated by this Agreement or any Related Agreement to which such Seller is a party. To such Seller's Knowledge, there are no currently existing events, facts or circumstances which could reasonably be expected to form the basis for any Proceeding or order, or decree of any court or Governmental Entity which would affect the ability of such Seller to consummate the transactions contemplated by this Agreement or any Related Agreement to which such Seller is a party.

Section 3.06. Acquisition for Own Account. Each Seller is acquiring the Jacoby Interests for Seller's own account, or the account of another Seller or Person identified to the Purchaser in writing, as principal, not as a nominee or agent, for investment purposes only, and not with a view to, or for, resale, distribution or fractionalization thereof in whole or in part and no other Person has a direct or indirect beneficial interest in such Jacoby Interests. Further, such Seller does not have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Jacoby Interests other than as may be set forth in the Jacoby Operating Agreement.

Section 3.07. Seller Diligence. Each Seller has been given the opportunity for a reasonable time prior to the date hereof to ask questions of, and receive answers from, the Purchaser or its representatives concerning the terms and conditions of this Agreement, and other matters pertaining to its receipt of the Jacoby Interests, and has been given the opportunity for a reasonable time prior to the date hereof to obtain such additional information in connection with the Purchaser in order for such Seller to evaluate the merits and risks of its acquisition of Jacoby Interests, to the extent the Purchaser possesses such information or can acquire it without unreasonable effort or expense Each Seller has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of holding the Jacoby Interests.

Section 3.08. Accredited Investor. Each Seller is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act. Such Seller agrees to furnish any additional information requested by the Purchaser or any of its Affiliates to assure compliance with applicable U.S. federal and state securities Laws in connection with the acquisition and transfer of the Jacoby Interests.

Section 3.09. No Bad Actor Disqualification. Each Seller and its Rule 506(d) Related Parties (defined below) are not subject to any "Bad Actor" disqualifying events described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "***Disqualification Event***"), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. Such Seller hereby agrees that it shall notify the Purchaser promptly in writing in the event a Disqualification Event becomes applicable to such Seller or any of its Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Section 3.08, "***Rule 506(d) Related Party***" shall mean a Person that is a beneficial owner of such Seller's securities for purposes of Rule 506(d) of the Securities Act.

Section 3.10. Limited Liquidity; Economic Risk. Each Seller understands that (i) it may not be able to readily resell any of the Jacoby Interests acquired by such Seller pursuant to this Agreement because (a) there may only be a limited market, if any exists, for any of the Jacoby Interests and (b) none of the Jacoby Interests have been registered under the Securities Act or any applicable state "blue sky" laws; and (ii) the Purchaser has the absolute right to refuse to consent to the transfer or assignment of the Jacoby Interests if such transfer or assignment does not comply with applicable Laws, including the Securities Act and any applicable state "blue sky" laws, or the Governing Documents of the Purchaser. Each Seller has the financial ability to bear the economic risk of a total diminution in value of the Jacoby Interests, has adequate means for providing for such Seller's current needs and personal contingencies and has no need for liquidity with respect to such Seller's acquisition of Jacoby Interests.

Section 3.11. Anti-Terrorism and Money Laundering Activities. Each Seller acknowledges that the Purchaser is required by United States Federal Law to obtain, verify and record information that identifies each Person who makes contributions to the Purchaser in consideration for the Jacoby Interests. Such Seller acknowledges and agrees that it will furnish to the Purchaser upon request a copy of such Seller's identifying documents that will assist the Purchaser to properly identify the such Seller as required by Federal Law. Such documents may include, without limitation, in the case of an individual, such Seller's driver's license, passport or other appropriate identifying documents or, in the case of a corporation, partnership or other entity, a copy of such entity's organizational documents and evidence of the authority of the person executing this Agreement on behalf of such entity that such person has full authority to execute and deliver this Agreement on behalf of such entity and otherwise to act on behalf of such entity in connection with such entity's receipt of Jacoby Interests.

Section 3.12. Broker's and Finder's Fees. No broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or with the transactions contemplated hereby as a result of any actions or commitments of such Seller.

Section 3.13. Independent Investigation. Each Seller acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, such Seller has relied solely upon its own investigation and the express representations and warranties the Purchaser set forth in Article V of this Agreement and (b) neither the Purchaser nor any other Person has made any representation or warranty as to the Purchaser or this Agreement, except as expressly set forth in in Article V of this Agreement.

Section 3.14. No Reliance on IPO. The Purchaser has not made any express or implied representation that the Purchaser or any of its Affiliates will consummate or otherwise participate in an IPO, and each of the Sellers acknowledge and agree that in entering into this Agreement, it is not relying on any express or implied representation or other statement of the Purchaser regarding the Purchaser consummating or otherwise participating in an IPO.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

The Company hereby represent and warrant to the Purchaser, subject to such exceptions as are specifically disclosed in the Disclosure Schedules delivered by the Sellers concurrently with the execution of this Agreement (the "***Disclosure Schedules***"); provided, however, that disclosure in one such section or subsection of the Disclosure Schedules may be deemed to qualify another section or subsection if it is reasonably clear, upon a reading of such disclosure without any independent knowledge on the part of the reader regarding the matter disclosed and without the need for reference to any other document, that the disclosure would be expected to apply to such other Section or subsection), that the statements contained in this Article IV are true, correct and complete as of the date hereof.

Section 4.01. Organization; Power. The Company is a limited liability company duly organized and validly existing under the Laws of the State of Delaware. The Company is qualified as a foreign entity to transact business in, and is validly existing under the Laws of, the states listed on Schedule 4.01, and is not required to be qualified as a foreign entity in any other states or jurisdictions, except where such non-qualification would not reasonably be expected to have a Material Adverse Effect. The Company has all requisite power and authority to own, operate, lease and encumber its properties and carry on its business as now conducted and currently proposed to be conducted.

Section 4.02. Capitalization.

(a) The Contributed Interests constitute all of the authorized limited liability company membership interests of the Company, as set forth onSchedule 4.02(a). All of the Contributed Interests are held of record and beneficially owned by the Sellers and are owned in the respective amounts and percentages set forth on Exhibit B. The Contributed Interests constitute all of the issued and outstanding limited liability company interests, Equity Securities, or similar interests of the Company and are duly authorized and were validly issued in compliance with the Company's Governing Documents and all applicable securities Laws.

(b) Except as set forth on Schedule 4.02(b), there are no contracts, options, warrants, call rights, puts, convertible securities, exchangeable securities, understandings or other rights, arrangements or understandings of any kind to issue, repurchase, redeem, sell, deliver or otherwise acquire or cause to be issued, repurchased, redeemed, sold, delivered or acquired, any limited liability company interests, Equity Securities, Debt or similar interests in the Company.

(c) The Company has no Subsidiaries, nor does the Company directly or indirectly own any Equity Securities, Debt or similar interest in, or any interest convertible into or exchangeable for, at any time, any equity or similar interest in any other Person.

Section 4.03. No Conflict or Violation. Except as set forth on Schedule 4.03, the execution, delivery, consummation and performance of this Agreement and each of the Related Agreements does not and shall not: (a) violate or conflict with any provision of the Governing Documents of the Company, (b) violate in any material respect any provision of Law applicable to the Company, (c) violate or result in a breach of or constitute (with or without due notice or the passage of time, or both) a default under any judicial consent, order, decree or material Contract to which the Company is a party, or by which the Company's material assets or properties may be bound, or (d) result in the imposition of any Encumbrance or restriction on the Business (with or without due notice or the passage of time, or both).

Section 4.04. Consents and Approvals. Except as set forth on Schedule 4.04, to the Knowledge of the Company, no consent, waiver, authorization or approval of any Governmental Entity, or of any other Person, or declaration or notice to or filing or registration with any Governmental Entity or other Person, is required in connection with the consummation of the transactions contemplated hereby.

Section 4.05. Financial Statements; No Undisclosed Liabilities.

(a) Attached hereto as Schedule 4.05(a) are copies of the internal unaudited financial statements of the Company as of and for the year ended December 31, 2017 and audited financial statements for the Company as and for the years ended December 31, 2016 and December 31, 2015, which are comprised of the balance sheets as of December 31, 2017, December 31, 2016, and December 31, 2015, respectively, and the related statements of comprehensive income and owners' equity for the years then ended and, for the years ended December 31, 2016 and December 31, 2015, cash flows (collectively, the "***Financial Statements***").

(b) There are no material Liabilities, exceeding, in the aggregate, $100,000, against, relating to or affecting the Company or the Business except for (i) Liabilities fully disclosed in the Financial Statements, (ii) Liabilities accruing after December 31, 2017 in the Ordinary Course of Business, (iii) Liabilities incurred as a result of the transactions contemplated by this Agreement, and (iv) as set forth on Schedule 4.05(b).

Section 4.06. Tax Matters.

(a) The Company has timely filed or caused to be timely filed all Tax Returns that are or were required to be filed by the Company pursuant to applicable Law. All Tax Returns filed by the Company are true, correct and complete in all material respects and were prepared in compliance with all applicable Laws. The Company has paid all Taxes owed by the Company (whether or not shown on any Tax Returns), except such Taxes, if any, which are not yet delinquent. The Company is not currently the beneficiary of any extension of time within which to file any income Tax Return. The Company has received no written claim made by any Governmental Entity in a jurisdiction where the Company does not file Tax Returns asserting that the Company is or may be subject to taxation by that jurisdiction. There are no Encumbrances for Taxes (other than for Taxes not yet due and payable) upon any of the assets of the Company.

(b) The Company has delivered or made available to the Purchaser copies of all Tax Returns filed by the Company and any audit materials, examination reports and statements of deficiencies with respect to Taxes of the Company, in each case, received by the Company or any Seller from a Governmental Entity, with respect to all tax years of the Company from inception. None of the Sellers, nor the Company has received written notice from a Governmental Entity indicating that such Governmental Entity intends to assess any additional Taxes against the Company for any period for which Tax Returns have been filed. To the Knowledge of the Company, there are no pending audits, assessments, disputes or claims concerning any Taxes of the Company. The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, in each case, that are either in force or outstanding. Schedule 4.06(b) sets forth all of the jurisdictions where the Company files Tax Returns.

(c) There is no Tax sharing agreement, Tax allocation agreement, Tax indemnity obligation or similar Contract with respect to Taxes (including any advance pricing agreement, closing agreement or other arrangement relating to Taxes) that shall require any payment by the Company after the Closing Date (other than customary commercial agreements the primary subject of which is not Taxes).

(d) The Company has never been a member of an affiliated group filing a consolidated federal income Tax Return or any similar group for federal, state, local or foreign Tax purposes. The Company has no Liability for Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by Contract or otherwise (other than customary commercial agreements the primary subject of which is not Taxes).

(e) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any similar provision of state, local or foreign Law) executed on or prior to the Closing Date, (iii) installment sale or open transaction disposition made on or prior to the Closing Date, (iv) prepaid income received on or prior to the Closing Date, (v) method of accounting that defers recognition of income to any period ending after the Closing Date, or (vi) election under Section 108(i) of the Code.

(f) The Company has timely withheld and paid all amounts of Taxes required by Law to have been withheld and paid by it (i) in connection with any amounts paid as compensation by the Company to its employees and independent contractors (including distributors) and (ii) to its members, creditors, holders of securities or other third parties. The Company has complied with all information reporting and backup withholding requirements of Law in all material respects.

(g) The Company is not the subject of any private ruling from a taxing authority or Contract with a taxing authority.

(h) The Company has not: (i) taken a reporting position on a Tax Return that, if not sustained, would give rise to a penalty for substantial understatement of federal income Tax under Section 6662 of the Code (or any similar provision of state, local or foreign law); or (ii) entered into any transaction identified as a (x) "listed transaction," within the meaning of Treasury Regulations Section 1.6011-4(b)(2), (y) a "transaction of interest," within the meaning of Treasury Regulations Section 1.6011-4(b)(6), or (z) any transaction that is "substantially similar" (within the meaning of Treasury Regulations Section 1.6011-4(c)(4)) to a "listed transaction" or "transaction of interest."

Section 4.07. Absence of Certain Changes. Since November 30, 2017 there has not occurred any event, change or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 4.07, since November 30, 2017 there has not been any:

(a) damage or destruction affecting any portion of the material assets or properties of the Company;

(b) change in the Company's accounting policies, procedures or methodologies;

(c) sale or transfer of any tangible or intangible asset of the Company, except in the Ordinary Course of Business;

(d) mortgage, pledge or imposition of any Encumbrances (except for Permitted Encumbrances) on any asset of the Company;

(e) declaration or payment of any distribution in respect of any Equity Securities of the Company or, directly or indirectly, any purchase, redemption, issuance, or other acquisition or disposition by the Company of any of their respective Equity Securities;

(f) increase in the salary, benefits or other compensation payable to any of the employees or consultants or officers or directors of the Company, or commitment to pay any bonus or other additional salary, benefits or compensation to any of the employees or consultants or officers or directors of the Company, or any entry into, grant, adoption, amendment or termination of any Employee Plan in any manner, except as otherwise required by Law;

(g) incurrence of any capital expenditure, obligation or other liability in connection therewith by the Company other than in the Ordinary Course of Business not in excess of $25,000;

(h) acquisition by the Company of a Person (including by merger, consolidation or stock purchase), or any acquisition of a substantial portion of the assets of any business of any other person;

(i) discharge or satisfaction by the Company of any material Encumbrance or material liability, other than Liabilities discharged or satisfied in the Ordinary Course of Business;

(j) amendment to the Governing Documents of the Company;

(k) incurrence, assumption or prepayment of any Debt by the Company, including long term debt or the issuance of any debt securities;

(l) assumption, guarantee, endorsement or otherwise becoming liable or responsible, whether directly, contingently or otherwise, by the Company for the Debt of any other Person;

(m) making of any loans, advances or capital contributions to or investments in any other Person by the Company;

(n) entry into, amendment or termination of, or waiver of any rights under, any Material Contract;

(o) initiation, settlement or compromise by or against the Company of any pending or threatened Proceeding;

(p) making, changing or rescinding by the Company of any election relating to Taxes, settlement or compromise by the Company of any claim, action, suit, litigation, proceeding, arbitration, investigation, or audit controversy relating to Taxes, consent by the Company to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes, filing by the Company of any Tax Return, amendment of any Tax Return by the Company or making by the Company of any change to any of its respective methods of accounting in respect of Taxes;

(q) excess sales of inventory or return privileges granted to any customer of the Company with respect thereto (whether explicitly or through favorable concessions granted to the customer); or

(r) agreement or commitment entered into by the Company to do any act described in clauses (a) through (q) above.

Section 4.08. Owned Real Property. The Company does not own, nor has ever owned, any real property or any interest therein.

Section 4.09. Leased Real Property.

(a) Schedule 4.09(a) identifies all real property leased or subleased or used by the Company as of the date hereof, including the landlord's name (the "***Leased Real Property***"). All Leased Real Property is leased to the Company, pursuant to written leases, true, correct and complete copies of which have been previously delivered to the Purchaser (collectively the "***Real Property Leases***"). The Company has a valid leasehold interest in the Leased Real Property, free and clear of all Encumbrances. Other than as set forth in Schedule 4.09(a), the Company has not subleased any Leased Real Property and the Leased Real Property is not otherwise subject to any third-party licenses, concessions, leases or tenancies of any kind. The Real Property Leases are in full force and effect and there are no other amendments, agreements or understandings relating to the Real Property Leases. All rent, additional rent and other charges due under the Real Property Leases were paid in full through the end of the month applicable to the Closing Date (i.e., if the Closing Date is March 1, 2018 then through March 31, 2018). There are no material defaults on the part of the Company or the landlord under the Real Property Leases. The Company has performed all of its obligations to be performed under the Real Property Leases. There are no claims by any landlord against the Company under the Real Property Leases. There are no rent concessions, abatements, or contributions owed to the Company under any Real Property Leases.

(b) Except as set forth on Schedule 4.09(b), the Company has not received written notice that the use or occupancy of the Leased Real Property violates in any material respect any covenants, conditions or restrictions that encumber such property, or that any such property is subject to any restriction for which any material permits necessary to the current use thereof have not been obtained.

(c) There are no pending or, to the Knowledge of the Company, threatened condemnation proceedings with respect to any portion of the Leased Real Property. There are no actual or, to the Knowledge of the Company, threatened or imminent changes in the present zoning of any Leased Real Property or any part thereof or any restrictions, limitations or regulations issued, or proposed or under consideration by any Governmental Entity having or asserting jurisdiction over the Leased Real Property.

Section 4.10. Accounts Receivable. Except as set forth on Schedule 4.10, the accounts receivable reflected on the Financial Statements and the accounts receivable arising after November 30, 2017: (a) arose from bona fide sales transactions in the Ordinary Course of Business and are payable in the Ordinary Course of Business on terms consistent with the Company's past practices; (b) are legal, valid and binding obligations of the respective debtors enforceable in accordance with their terms; (c) are not subject to any valid set-off or counterclaim by the debtor; (d) do not represent obligations for goods sold on consignment, on approval or on a sale-or-return basis or subject to any other repurchase or return arrangement; (e) to the Knowledge of the Company, are collectible in full, but in no event later than ninety (90) days of the applicable invoice date thereof, in the Ordinary Course of Business in the aggregate recorded amounts thereof; (f) are not owed by any Affiliate of the Company; and (g) are not the subject of any Proceeding. Except as set forth on Schedule 4.10, the Company has not received any notice from any account debtor regarding any dispute over any of the accounts receivable. None of the accounts receivable constitutes duplicate billings of other accounts receivable. There are no security arrangements or collateral securing the repayment or other satisfaction of the accounts receivable.

Section 4.11. Intellectual Property.

(a) Schedule 4.11(a) sets forth a list of all patents and patent applications; registered and trademarks, service marks, trade names; domain names; registered copyrights; software (other than commercial-off-the-shelf software licensed on a "click-through" or similar basis for the internal use of the Company); and technology and processes owned by or licensed to the Company pursuant to any Contract and used by the Company in the operation of the Business as presently conducted. The Company owns, free and clear of Encumbrances, or has the right to use pursuant to valid and effective Contracts, all such intellectual property, and all software licenses, trade secrets, technical knowledge, know-how and other confidential proprietary information used to conduct the Business (collectively referred to as "***Intellectual Property***"). None of the Intellectual Property is owned by or licensed to the Company by any of the Sellers or any other Affiliate, officer, director, contractor, or employee of the Company. The Intellectual Property constitutes all intellectual property rights necessary for the continued conduct of the Business of the Company in substantially the same manner as conducted before the date of this Agreement. For each item of Intellectual Property licensed from third parties, Schedule 4.11(a) lists the Contract under which the Company has acquired rights in such Intellectual Property (each, an "***Intellectual Property License***"), including the date, title and parties for each such Intellectual Property License. Each Intellectual Property License is valid and binding on the Company and the applicable licensor in accordance with its terms and is in full force and effect. Neither the Company nor, to the Knowledge of the Company, any other party thereto is in breach of or default under, or has provided or received any notice of breach or default of or any intention to terminate, any Intellectual Property License. No claims are pending or, to the Knowledge of the Company, threatened, and the Company has received no communication alleging that the Company violated any rights relating to Intellectual Property of any third party. To the Knowledge of the Company, no third party is misappropriating, infringing, diluting, or violating any Company rights in Intellectual Property.

(b) Except as set forth on Schedule 4.11(b), neither the Company, nor any Company Product, manufactured by Company, nor the marketing, distribution, sale or use of any Company Product, manufactured by Company, for its intended purpose infringes, violates, dilutes or misappropriates any intellectual property rights of another Person.

(c) The Company has not made any claim of a violation, infringement, misuse or misappropriation by any Person (including any employee, former employee or independent contractor of the Company or any of its Subsidiaries) of its rights to, or in connection with, any Company Intellectual Property, and to the Knowledge of the Company, no basis for such a claim exists. Except as set forth in Schedule 4.11(c), neither the Company nor any of its Subsidiaries has entered into any agreement to indemnify any other Person against any charge of infringement of any Intellectual Property, other than indemnification provisions contained in agreements entered into in the Ordinary Course of Business.

(d) The Company has taken all commercially reasonable measures to maintain and protect the proprietary nature of the Company Intellectual Property, including the signing by all Persons hired by the Company and all of its Subsidiaries of nondisclosure agreements, and the signing of valid and binding non-disclosure agreement by all Third Parties with responsibility for the conception, reduction to practice, authoring or other creation or development of, or having access to, or to whom a disclosure has been made of, know-how or trade secret information or other Company Intellectual Property. Except as set forth in Schedule 4.11(d), the Company has secured valid and binding written assignments from all consultants, contractors and employees and all other Persons who contributed to the conception, reduction to practice, authorship, creation or development of any Intellectual Property by or on behalf of the Company or any of its Subsidiaries of all rights to such contributions that the Company or its Subsidiary, as applicable, does not already own by operation of law.

(e) Except as set forth on Schedule 4.11(d), no Person (other than the Company) has contributed to or participated in the conception and development of Intellectual Property that is necessary to or used by the Company in the operation of the Business.

(f) Neither the Company nor any of its Subsidiaries has granted to any Person an exclusive license or equivalent right with respect to any Company Intellectual Property, or assigned or conveyed to any Person any ownership interest (including joint ownership rights) therein, and no third party owns or holds any such right, license or interest.

(g) Other than as listed on Schedule 4.11(g), neither it nor any of its Subsidiaries has included any "open source" code (as defined by the Open Source Initiative) or "Free" code (as defined by the Free Software Foundation) (collectively, "***Open Source Code***") in, or linked to, any Product constituting or incorporating any software that the Company or any of its Subsidiaries licenses, distributes or makes available to a third party (collectively, "***Company Software Products***"). The Company further represents and warrants that neither the Company nor any of its Subsidiaries has included Open Source Code in, or linked Open Source Code to, any Company Software Products, in any manner: (a) that would impose any requirements on how any Company Software Products, other than the licensed-in Open Source Code itself, must be used, licensed or disclosed to third parties, or (b) that would have the effect of requiring that any portion of the Company Software Product, other than the licensed-in Open Source Code itself: (i) be disclosed or distributed, proactively or at the request of a third party, in source code form, (ii) be licensed for the purpose of making derivative works, (iii) be redistributable at no charge, or (iv) be licensed under any open source or free software license or licensing scheme of the Free Software Foundation, Open Source Initiative or any similar program.

(h) Except as set forth on Schedule 4.11(h), neither the Company nor any of its Subsidiaries has disclosed or delivered to any escrow agent or any other Person any of the source code relating to any Company Intellectual Property, and no other Person has the right, contingent or otherwise, to obtain access to or use any such source code. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time or both) will, or could reasonably be expected to, result in the delivery, license, or disclosure of any source code to any Person who is not, as of the date of this Agreement, a current employee.

(i) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (i) materially alter or impair any rights of the Company in any Intellectual Property used in the Business or owned by the Company, or (ii) result in the Company being obligated to license any Intellectual Property used in the Business or owned by the Company to any other Person, or to pay any royalties or other material amounts, to accelerate the payment of any royalties or any other material amounts, or to offer any discounts to any third party in excess of those payable by, or required to be offered by, the Company in the absence of this Agreement.

(j) The information technology systems owned, leased or licensed by the Company, including the software, firmware, hardware (whether general or special purpose), networks and interfaces (collectively, the "***Company Systems***") are sufficient for the current needs of the Company for its operation of the Business, including as to peak volume capacity and processing ability. In the twelve month period prior to the date of this Agreement, there have been no material failures, breakdowns, or continued substandard performance of any Company Systems which have caused the substantial disruption or interruption in the use of the Company Systems or the operation of the Business of the Company.

(k) With respect to sensitive personally identifiable information, the Company has taken all commercially reasonable steps (including implementing and monitoring compliance with adequate measures with respect to technical and physical security) to ensure that the information is protected against loss and against unauthorized access, use, modification, disclosure or other misuse. To the Knowledge of the Company, there has been no unauthorized access to or other misuse of such information.

Section 4.12. Employee Benefit Plans

(a) Schedule 4.12 contains a list of all Employee Plans. Each Employee Plan is being administered in accordance with its terms and with all applicable Laws, and contributions required to be made under the terms of any of the Employee Plans, if any, as of the date of this Agreement have been timely made. With respect to each Employee Plan, the Company has remained in material compliance with all tax, annual reporting and other governmental filing requirements under applicable Law, and such taxes, reports and other filings have, in all material respects, been timely filed with the appropriate Governmental Entity and all notices and disclosures have been timely provided to participants. Each Employee Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS as to its qualified status or may rely upon a prototype opinion letter, and that the trust established in connection with such Employee Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code is so exempt, and no fact or event has occurred that could reasonably be expected to adversely affect the qualified status of any such Employee Plan or the exempt status of any such trust. Neither the Company nor any Subsidiary has any express or implied commitment, whether legally enforceable or not, to (i) create, incur liability with respect to, or cause to exist any Employee Plan (or any plan, program or arrangement which would be a Employee Plan if in effect on the date hereof), (ii) to enter into any contract or agreement to provide compensation or benefits to any individual, or (iii) to modify, change or terminate any Employee Plan, other than with respect to a modification, change or termination required by ERISA or by the Code.

(b) With respect to each Employee Plan, the Company has furnished to the Purchaser, as applicable: (i) a true and complete copy of each Employee Plan and underlying trust (or, in the case of an unwritten arrangement, a written description of its terms and conditions); (ii) copies of the most recent summary plan description and all summaries of material modifications; (iii) copies of the three (3) most recently filed Form 5500 annual reports and accompanying schedules, if any; (iv) a copy of the most recently received IRS determination letter or opinion letter; (v) copies of the non-discrimination testing results, audited financial statements, actuarial reports, and attorney's responses to an auditor's request for information, if any, for the three (3) most recent plan years; (vi) all material correspondence to or from any governmental entity in the past three (3) years relating to any Employee Plan; (vii) all material communications relating to any established or proposed Employee Plan that relates to any material amendments, terminations, increases or decreases in benefits, acceleration of payments or vesting schedules or other events which would result in any liability to the Company or its Subsidiaries; and (viii) all prospectuses prepared in connection with each Employee Plan. The Company has not made any material express or implied proposal, assurance or commitment, to establish, modify, change or terminate any Employee Plan (other than with respect to a modification, change or termination required by ERISA or the Code), or to any employee or other service provider of the Company regarding any improvement to terms of employment or regarding the increase or improvement in the rate or quantum of remuneration, benefits or other compensation.

(c) (i) No event has occurred and no condition exists that would subject the Company or any ERISA Affiliate, to any tax, fine, lien, penalty or other liability imposed by ERISA, the Code or other applicable Laws, rules and regulations; (ii) for each Employee Plan with respect to which a Form 5500 has been filed, no material change has occurred with respect to the matters covered by the most recent Form since the date thereof; (iii) no "reportable event" (as such term is defined in ERISA Section 4043), "prohibited transaction" (as such term is defined in ERISA Section 406 and Code Section 4975) or "accumulated funding deficiency" (as such term is defined in ERISA Section 302 and Code Section 412 (whether or not waived)) has occurred with respect to any Employee Plan; (iv) all awards, grants or bonuses made pursuant to any Employee Plan have been, or will be, fully deductible to the Company or its Subsidiaries notwithstanding the provisions of Section 162(m) of the Internal Revenue Code and the regulations promulgated thereunder; and (v) except to the extent limited by applicable Law, each Employee Plan may be amended, terminated or otherwise discontinued after the Closing Date in accordance with its terms without liability to the Company or any Subsidiary (other than ordinary administration expenses).

(d) Full payment has been made of all amounts (other than current outstanding routine claims for benefits) that the Company and any Subsidiary is required to contribute or pay under the terms of any Employee Plan, if any, and all contributions to any Employee Plan that are required or recommended with respect to any period of time prior to the Closing have been made or such amounts have been accrued in accordance with GAAP. There are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations that have not been accounted for by reserves, or otherwise properly footnoted in accordance with GAAP on the financial statements of the Company.

(e) No Employee Plan is a Multiemployer plan or a pension plan within the meaning of Section 3(2) of ERISA that is subject to Title IV of ERISA or similar minimum funding requirements under applicable foreign Law (each such arrangement being a "***Pension Plan***"), and neither the Company nor any ERISA Affiliate has ever sponsored or contributed to or been required to contribute to a Multiemployer Plan or Pension Plan. No material liability under Title IV of ERISA or similar applicable foreign Law has been incurred by the Company or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a risk to the Company or any ERISA Affiliate of incurring or being subject (whether primarily, jointly or secondarily) to a liability thereunder or to any lien arising under ERISA.

(f) With respect to any Employee Plan, (i) no actions, suits or claims (other than routine claims for benefits in the ordinary course) are pending or threatened and (ii) to the Knowledge of the Company, no facts or circumstances exist that could give rise to any such actions, suits or claims. There are no audits, inquiries or proceedings pending or to the knowledge of the Company or any member of the Company's Controlled Group, threatened by the Internal Revenue Service, the Department of Labor, or any similar governmental entity with respect to any Employee Plan.

(g) The Company has not granted any loans or advances in excess of $1,000, or provided any guarantees or financial assistance in excess of $1,000, to any of its officers or directors (past or present), which are currently outstanding. For the avoidance of doubt, this representation does not apply to any loans or advances (if any) which are (or were) made in connection with any Employee Plan which is intended to be qualified under Section 401(a) of the Code.

(h) Except as set out on Schedule 4.12(h), there is no term of employment for any employee which provides that a change of control (i) shall be a deemed a breach of his or her service or employment contract, or (ii) would entitle the employee concerned to the vesting or acceleration of any payment or benefit whatsoever or entitle such employee to be treated as redundant or otherwise dismissed or released from any such obligation.

(i) Except as required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the regulations (including proposed regulations) thereunder and any similar state Law, no Employee Plan provides any post-termination or retiree medical or retiree welfare benefits to any Person.

(j) All "nonqualified deferred compensation plans" (as defined in Section 409A of the Code and the Treasury Regulations promulgated thereunder) of the Company have been operated in material compliance with Section 409A of the Code and all applicable guidance (including the Treasury Regulations) promulgated thereunder. The Company is not a party to, or otherwise obligated under, any Employee Plan that provides for the gross-up of the tax imposed by Section 409A(a)(1)(B) of the Code.

(k) No payment or benefit provided pursuant to any Employee Plan, including the grant, vesting or exercise of any equity-based award, will or may provide for the deferral of compensation subject to Section 409A of the Code, whether pursuant to the execution and delivery of this Agreement or the consummation of the Transactions (either alone or upon the occurrence of any additional or subsequent events) or otherwise. The Company is not a party to, or otherwise obligated under, any Employee Plan that provides for the gross-up of the tax imposed by Section 409A(a)(1)(B) of the Code. The execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated by this Agreement and the Related Agreements will not (either alone or upon the occurrence of any additional or subsequent events) constitute an event under any Employee Plan or Contract that will or may result in any payment of deferred compensation which will not be in compliance with Section 409A of the Code.

(l) The Company has no employees who are providing services at a location which are subject to the Laws of any jurisdiction outside of the United States.

(m) The execution of this Agreement and the consummation of the transactions contemplated hereby will not (either alone or upon the occurrence of any other event, such as individual's termination of employment) constitute an event under any Employee Plan that will or may result in (A) any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employee of the Company or any member of the Company's "Controlled Group" and (B) any payment, vesting of benefits or compensation or provision of benefits or compensation which could be characterized as or deemed to be a "parachute payment", within the meaning of Code Section 280G(b)(2). There is no Employee Plan, contract, plan or arrangement to which the Company (or any member of its Controlled Group) is a party or by which it is bound, that requires the Company (or any member of the its Controlled Group) to compensate any employee, former employee or any person providing services to the Company (or any member of its Controlled Group) for excise taxes paid pursuant to Code Section 4999.

Section 4.13. Personnel; Labor Relations.

(a) Schedule 4.13 lists the name of each employee of the Company ("***Employee***") and, with respect to each such Employee, his or her: (i) work location; (ii) position; (iii) hire date; (iv) classification (i.e., exempt or non-exempt); (v) rate of compensation (base salary or hourly rate of pay); (vi) bonus (or commission) opportunity; and (vii) visa or green card status.

(b) The Company is not a party to or bound by any collective bargaining or labor contract, voluntary recognition agreement or other binding commitment to any labor union, trade union, works council or employee organization in respect of any of its employees. There are not currently, and in the five (5) years preceding the date hereof there have not been, nor are there now threatened, any: (i) strikes, work stoppages, slowdowns, lockouts or arbitrations; or (ii) employee or union grievances, claims, charges, unfair labor practice charges, grievances or complaints or other labor disputes with respect to the Company. During the five (5) years preceding the date hereof, none of the employees of the Company is or has been represented by any labor union or other employee collective bargaining organization, was a party to, or bound by, any labor or other collective bargaining agreement in connection with such employment or has been subject to or involved in, or threatened, any union elections, petitions or other organizational or recruiting activities, nor are any such labor organizing activities now pending or threatened against the Company.

(c) The Company is in compliance in all material respects with all applicable Laws relating to employment or termination of employment, including those related to wages, hours, compensation, terms and conditions of employment, workplace health and safety, discrimination or harassment, retaliation, human rights, pay equity, notice of termination, classification of workers (i.e., as employees versus independent contractors, or as exempt versus non-exempt employees), immigration, collective bargaining and the payment and withholding of taxes and other sums as required by the appropriate Governmental Entity. The Company has paid in full to all employees, or adequately accrued for in accordance with GAAP consistently, applied all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees through the pay period preceding the date hereof. Other than as set forth in Schedule 4.13(c), there is no claim with respect to employment or termination of employment, or payment of wages, salary or overtime pay that has been asserted or is now pending or threatened before any Governmental Entity, and no audit or investigation by any Governmental Entity is currently pending or threatened. The Company has no liability, whether direct or indirect, absolute or contingent, including any obligations under any Employee Plans, with respect to any misclassification of a Person performing services as an independent contractor or consultant rather than as an employee. To the knowledge of the Company, no group of employees and no key employee, manager or executive has any current plans to terminate employment in connection with the Closing.

Section 4.14. Environmental Compliance.

(a) The Company is in compliance, in all material respects, with all applicable Environmental Laws. The Company does not possess any Environmental Permits for the operation of the Business. There is no Environmental Claim pending or threatened against the Company.

(b) The Company has not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, released or exposed any Person to any Hazardous Substances or owned, used or operated any property or facility (and no such property or facility is contaminated by any Hazardous Substance), so as to give rise to any Environmental Claim.

(c) Without limiting the generality of the foregoing, the Company has no outstanding legal or contractual obligation under any applicable Environmental Law, or any unresolved enforcement action, Liability or other Proceeding pursuant to any Environmental Law, including any outstanding investigation, cleanup, removal, response activity, remediation, or corrective action obligation under any applicable Environmental Law or any outstanding indemnification obligation owed to any third party under any applicable Environmental Law relating to the Leased Real Property, any formerly owned real property, any formerly owned, used or operated property, or any offsite disposal location.

(d) Neither this Agreement nor the consummation of the transactions contemplated hereby will result in any obligations for site investigation or cleanup, or notification to or consent of any governmental entity or third parties, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" Environmental Laws.

(e) There are no current or any abandoned or former underground storage tanks (USTs) located at any real property owned, used or operated by the Company and any such USTs that do exist are in compliance with applicable Environmental Laws.

Section 4.15. Licenses and Permits. The Company has obtained and maintained, and currently maintains, in full force and effect all Licenses and Permits required to operate the Business as presently conducted in the Ordinary Course of Business and as currently proposed to be conducted, each of which is set forth on Schedule 4.15. To the Knowledge of the Company, the consummation of the transactions contemplated hereby shall not give any Governmental Entity the right to terminate any of the Licenses and Permits or the conduct of the Business or require any amendments, registration, or renewal of any such Licenses and Permits. The Company is in compliance in all material respects with all terms, conditions and requirements of all Licenses and Permits and no Proceeding is pending or threatened relating to the revocation or limitation of any of such Licenses or Permits.

Section 4.16. Insurance. Schedule 4.16 sets forth a list of all policies of title, liability, fire, casualty, business interruption, workers' compensation and all other forms of insurance (including self-insurance arrangements) (collectively, the "***Policies***" and individually, each a "***Policy***") insuring the properties, assets or other operations of the Company. A true, correct and complete copy of each Policy has been made available to the Purchaser. Each of the Policies is in full force and effect. The Company is not in default under any provisions of any Policy, and the Company has not received notice of cancellation of any Policy. There is no claim by the Company pending under any Policy as to which coverage has been denied or disputed by the underwriters of any Policy. The Company has not received any notice from or on behalf of any insurance carrier issuing any Policy that insurance rates therefor shall hereafter be materially increased or that there shall hereafter be a cancellation or an increase in a deductible (or a material increase in premiums in order to maintain an existing deductible) or non-renewal of any Policy.

Section 4.17. Payment Card Standards. The Company and its Subsidiaries have collected, stored, maintained, used, shared and processed Personal Information in material compliance with all Applicable Privacy and Data Security Laws and have taken commercially reasonable steps to protect against any anticipated or actual threats or hazards to the security or integrity of Personal Information, and from the loss of Personal Information. Company's and its Subsidiaries' practices, policies and procedures with regard to payment instrument information are in material compliance with all rules, regulations, standards and guidelines adopted or required (i) by all payment card brands that are accepted as a form of payment by, or whose instrument information is otherwise handled by, Company, and (ii) by the Payment Card Industry Security Standards Council, in either case relating to privacy, data security or the safeguarding, disclosure or handling of payment instrument information, including but not limited to (1) the Payment Card Industry Data Security Standards, (2) the Payment Card Industry's Payment Application Data Security Standard, (3) the Payment Card Industry's PIN Transaction Security requirements, (4) Visa's Cardholder Information Security Program and Payment Application Best Practices, (5) American Express's Data Security Operating Policy, (6) MasterCard's Site Data Protection Program and POS Terminal Security program, and (7) the analogous security programs implemented by other card brands, in each case referenced in this sentence as they may be amended from time to time (collectively referred to herein as the "***PCI Requirements***"). Other than as set forth on Schedule 4.17, neither Company nor its Subsidiaries have suffered a breach of Personal Information that was required to be reported to a data subject or a data owner or licensee pursuant to any Applicable Privacy and Data Security Laws or any other Applicable Laws. Company and its Subsidiaries have written agreements with each third party service provider or partner having access to Personal Information requiring compliance with Applicable Privacy and Data Security Laws, including the PCI Requirements to the extent applicable. Company and its Subsidiaries maintain records of their customers' communications preferences, such as opt-ins and opt-outs for various forms of direct marketing, behavioral advertising, and customer tracking, sufficient for Company and its Subsidiaries to honor such preferences and comply with all Applicable Privacy and Data Security Laws. The Company and its Subsidiaries are and have always been in compliance with their published privacy policies.

Section 4.18. Contracts and Commitments. Schedule 4.18 contains a list of all of the following Contracts (collectively, the "***Material Contracts***"):

(a) each employment agreement and consulting agreement (which requires payment in excess of $50,000 on an annual basis) currently in effect, along with all bonus, profit-sharing, percentage compensation, deferred compensation, pension, welfare, retirement, stock purchase or stock option plans or other Contracts with or relating to the Personnel of the Company; further, the Company is not party to any employment agreements other than at-will employment agreements;

(b) each Contract currently in effect with a customer representing annual revenues in excess of $100,000;

(c) Contracts currently in effect evidencing any Debt of the Company, including Contracts for the repayment or borrowing of money by the Company, or for a line of credit (including credit card agreements), as well as guarantees of, indemnification for or agreements to acquire any obligations of others, and all security or pledge agreements related thereto;

(d) Contracts currently in effect relating to any joint venture, partnership, strategic alliance or sharing of profits or losses with any Person to which the Company is a party or by which it or any of its assets is bound;

(e) Contracts currently in effect that evidence or relate to any obligations of the Company with respect to the issuance, sale, repurchase or redemption Equity Securities;

(f) Contracts that relate to any Proceeding involving the Company at any time during the last four years;

(g) Contracts relating to the acquisition or disposition of any Equity Securities, business or product line of any other Person pursuant to which any economic obligations (whether or not contingent) remain outstanding;

(h) Contracts currently in effect that contain covenants limiting the freedom of the Company to compete in any business in any material respect or in any geographic area;

(i) Contracts currently in effect with respect to any Intellectual Property owned or licensed by the Company;

(j) Contracts currently in effect pursuant to which the Company has granted any exclusive agency, marketing, sales representative relationship or distribution right to any third party;

(k) Contracts currently in effect providing for capital expenditures by the Company in excess of $25,000;

(l) Contracts currently in effect that require the Company to make other payments equal to more than $25,000 in any calendar year; and

(m) Contracts currently in effect not made in the Ordinary Course of Business.

The Company has made available to the Purchaser true, correct and complete copies of all Material Contracts. All of the Material Contracts are in full force and effect. Neither the Company, nor any other party thereto, has breached any material provision of, or is in material default under the terms of does any condition exist which (with or without due notice or the passage of time, or both), would cause the Company or any other party to be in default under any of the Material Contracts. Except as set forth on Schedule 4.188, the consummation of the transactions contemplated by this Agreement shall not afford any other party the right to terminate any such Material Contract or require notice to or consent of any Person party to a Material Contract, or result in any increase or acceleration of any obligation under any Material Contract or the payment by the Company of any amount under any Material Contract.

Section 4.19. Customers and Suppliers.

(a) Schedule 4.19(a) sets forth a list of the names of the Company's top ten (10) customers for the twelve-month period ended December 31, 2017, based on total revenues for such period. Since December 31, 2017, no customer set forth on Schedule 4.19(a) has terminated or adversely modified its relationship with the Company.

(b) Schedule 4.19(b) sets forth a list of the names of the Company's top ten (10) suppliers for the twelve-month period ended December 31, 2017 based on the dollar amount of expenditures by the Company for such period. Since December 31, 2017, no supplier set forth on Schedule 4.19(b) has terminated or adversely modified its relationship with the Company.

(c) Since December 31, 2017, there has been no written communication from any customer set forth on Schedule 4.19(a) or any supplier set forth on Schedule 4.19(b) that would lead the Company reasonably to believe that such customer or supplier, as applicable, is planning to terminate or materially reduce or modify the terms of its business relationship with the Company.

Section 4.20. Compliance with Law.

(a) The Company is in compliance in all material respects with all applicable Laws. The Company is not in default or violation with respect to any order, writ, judgment, award, injunction or decree of any Governmental Entity or arbitrator applicable to it, or any of its assets. The Company has not received, at any time during the prior four (4) years from the date of this Agreement, any written notice from any Governmental Entity regarding any actual, alleged, or potential violation of, or failure to comply with, any term or requirement of any Law applicable to the Company.

(b) Neither the Company nor any of its managers, directors, officers, equity holders, agents and employees has: (i) used any organizational funds of the Company for unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity, (ii) made any unlawful payments to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or (iii) made or received any other payment prohibited under any applicable Law. Neither the Company, nor any of its managers, directors, officers, equity holders, nor, to the Knowledge of the Company, any of its or their respective agents or employees, is or has been the subject of any investigation, inquiry or enforcement proceeding by any Governmental Entity regarding any offense or alleged offense under anti-bribery, anti-corruption or anti-fraud legislation in any jurisdiction and no such investigation, inquiry or proceedings has been threatened.

Section 4.21. Litigation. Except as set forth on Schedule 4.211, (a) there are no Proceedings pending or threatened by or against the Company or any of its assets or Personnel (with respect to Personnel, in such individual's capacity as such), (b) there are no unsatisfied judgments of any kind against or in favor of the Company or any of its assets or Personnel (with respect to Personnel, in such individual's capacity as such), and (c) neither the Company nor any of its Personnel (with respect to Personnel, in such individual's capacity as such) is subject to any outstanding judgment, order, or decree of any court or Governmental Entity. The Company is not currently planning to initiate any Proceeding. Except as set forth on Schedule 4.21, there are no currently existing events, facts or circumstances which could reasonably be expected to form the basis for any Proceeding or order, or decree of any court or Governmental Entity by or against the Company, or any of its Personnel (with respect to Personnel, in such individual's capacity as such).

Section 4.22. Title to and Sufficiency of Assets and Related Matters. The Company has good and marketable title to all of the respective assets owned by it and reflected on the Financial Statements, free and clear of all Encumbrances (other than Permitted Encumbrances), except as disposed of since December 31, 2017 in the Ordinary Course of Business. The equipment currently used in the Business is in reasonable working order. The assets and properties owned and leased by the Company comprise all the assets and properties that are necessary or advisable for the operation of the Business as presently conducted and as presently contemplated to be conducted without restriction, interruption or limitation, other than any restriction or limitation under any applicable Law.

Section 4.23. Broker's and Finder's Fees. No broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or with the transactions contemplated by this Agreement as a result of any actions or commitments of the Company.

Section 4.24. Affiliate Transactions. Except as disclosed on Schedule 4.13 or Schedule 4.24, the Company is not presently a party to any Contract with any owner, equity holder, manager, director, officer or employee of the Company (or any relative or other Affiliate of such persons), nor does any of the foregoing have any interest in any of the properties or assets owned or used by the Company in connection with the operation of the Business. The Company does not provide or cause to be provided any assets, services, or facilities to any Seller or any manager, director, officer, employee or Affiliate (other than the Company) of any Seller.

Section 4.25. Inventory. Except as disclosed on Schedule 4.25, all items of inventory reflected on the Financial Statements or acquired after December 31, 2017 and prior to the Closing Date consist of a quality and quantity usable and saleable in the Ordinary Course of Business except for obsolete items and work-in-process goods, all of which have been written off or written down to current fair market value on the Financial Statements or on the accounting records of the Company as of December 31, 2017, as the case may be.

Section 4.26. Product Matters. With respect to the Company Products, the Company does not have any liability, whether based on strict liability, gross negligence, breach of Contract or otherwise, with respect to any product, component or other item designed, manufactured, distributed, assembled, produced, leased or sold by the Company to others, other than standard warranty obligations (to replace, repair, or refund) made by the Company in the Ordinary Course of Business consistent with past practice to the purchasers of its products. Schedule 4.26 sets forth true, correct and complete copies of the standard terms and conditions of sale for each of the products or services of the Company. Since January 1, 2015, the Company has not received notice as to any claim or allegation of any material defect or material failure of any product, of personal injury, death, or property or economic damages, any claim for punitive or exemplary damages, any claim for contribution or indemnification, or any claim for injunctive relief in connection with any product sold or distributed by, or in connection with any service provided by, or based on any error or omission or negligent act in the performance of services by, the Company, and there is no basis for any such claim and no such claim is threatened. Schedule 4.26 completely and correctly describes all such claims since January 1, 2015, together in each case with the date such claim was made, the amount claimed, the disposition or status of such claim (including settlement or judgment amount), and the amount of attorney's fees incurred in connection with such claim. The Company has not had a product recall.

Section 4.27. Bank Accounts. Schedule 4.27 sets forth a list of all of the bank accounts, investment accounts, safe deposit boxes, lock boxes and safes held by, or in the name of, the Company, and the names of all managers, directors, officers, employees or other individuals who have access thereto or are authorized to make withdrawals therefrom or dispositions thereof.

Section 4.28. Plans and Designs. True, correct and complete copies of the plans, designs, test reports, other reports, specifications, description and manuals relating to the products and services sold, provided or otherwise distributed by the Company (such products and services, "***Company Products***" and such plans, designs, test reports, other reports, specifications, descriptions and manuals, collectively the "***Product Plans***") have been provided to the Purchaser.

Section 4.29. Privacy.

(a) Schedule 4.29 sets forth a list of all Personal Information held by the Company. The Company undertakes commercially reasonable efforts to adequately secure all Personal Information held by the Company.

(b) The Company has not received any notice of any claims, investigations, or alleged violations of Law with respect to Personal Information possessed by or otherwise subject to the control of the Company, and there are no facts or circumstances which could form the basis for any such violation.

(c) To the Knowledge of the Company, there have been no data breaches involving any Personal Information of any of the Company's customers, suppliers or employees.

Section 4.30. Full Disclosure. No representation, warranty, covenant or agreement made by any Seller in this Agreement or in any Related Agreements contains any false or misleading statement of a material fact, or omits any material fact required to be stated therein or necessary in order to make the statements therein not false or misleading.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to each of the Sellers that the statements contained in this Article V are true, correct and complete as of the date hereof.

Section 5.01. Organization; Power. The Purchaser is a limited liability company duly organized, validly existing, and in good standing under the Laws of the State of Delaware and has all requisite limited liability company power and authority to own its properties and assets and to conduct its business as it is now conducted.

Section 5.02. Title to the Jacoby Interests. The issuance of the Jacoby Interests to each Seller is duly authorized in compliance with the Purchaser's Governing Documents and all applicable securities Laws. Once issued, each Seller shall possess their respective Jacoby Interests free and clear of all Encumbrances or any restrictions on transfer other than as set forth in the Purchaser's Governing Documents, under the Securities Act, or under applicable state securities Laws.

Section 5.03. Authorization and Validity of Agreement. The Purchaser has all requisite limited liability company power and authority to enter into this Agreement and each of the Related Agreements to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the Related Agreements to which it is a party and the performance of the obligations of the Purchaser hereunder and thereunder have been duly authorized by all necessary limited liability company action of the Purchaser, and no other limited liability company proceedings on the part of the Purchaser are necessary to authorize the execution, delivery or performance of this Agreement and each of the Related Agreements to which it is a party. This Agreement and each of the Related Agreements to which it is a party has been duly executed and delivered by the Purchaser and constitutes the Purchaser's valid and binding obligation, enforceable against the Purchaser in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a proceeding at law or equity).

Section 5.04. No Conflict or Violation. The execution, delivery and performance of this Agreement and each of the Related Agreements to which it is a party by the Purchaser does not and shall not: (a) violate or conflict with any provision of its Governing Documents; (b) violate in any material respect any applicable provision of Law; or (c)(i) require any consent or approval or (ii) violate or result in a breach of or constitute (with or without due notice or the passage of time, or both) a default under any judicial consent, order or decree or any Contract to which the Purchaser is a party or by which it or any of its assets or properties are bound.

Section 5.05. Consents and Approvals. No consent, waiver, authorization or approval of any Governmental Entity, or of any other Person, or declaration to or filing or registration with any Governmental Entity, is required in connection with (a) the execution and delivery of this Agreement or any of the Related Agreements by the Purchaser, or any agreement, document or instrument contemplated hereby or thereby by the Purchaser, or (b) the performance by the Purchaser of its obligations hereunder or thereunder.

Section 5.06. Broker's and Finder's Fees. No broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or the transactions contemplated by this Agreement as a result of any actions or commitments of the Purchaser or its Affiliates.

Section 5.07. Independent Investigation. Purchaser acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser has relied solely upon its own investigation and the express representations and warranties of Sellers and Company set forth in Articles III and IV of this Agreement (including the related portions of the Disclosure Schedules) and (b) none of the Sellers, the Company, or any other Person has made any representation or warranty as to the Seller, the Company, or this Agreement, except as expressly set forth in Articles III and IV of this Agreement (including the related portions of the Disclosure Schedules).

ARTICLE VI
INDEMNIFICATION; SURVIVAL

Section 6.01. Indemnification By the Sellers.

(a) Subject to the applicable provisions of this Article VI and the last paragraph of this Section 6.01, the Sellers shall, jointly, but not severally, indemnify and hold harmless the Purchaser and its successors and assigns, members, directors, managers, partners, Personnel, representatives and agents, and those of its Affiliates (including the Company, on and after the Closing Date) (collectively, the "***Purchaser Indemnified Parties***"), from and against any and all Indemnity Losses directly or indirectly arising from:

(i) any misrepresentation or breach of any warranty regarding the Company contained in this Agreement or any Related Agreement, including, without limitation, as set forth in Article IV;

(ii) (x) any Taxes (or the non-payment thereof) of the Company, for any Pre-Closing Tax Period (including that portion of any Straddle Period ending on the Closing Date, apportioned in accordance with Section 7.03(b)); and (y) any Taxes of any Person imposed on the Company, as transferee or successor, by Contract, pursuant to any Law (including Treasury Regulation Section 1.1502-6 or any analogous or similar state, local or foreign law or regulation) or otherwise, which Taxes relate to an event or transaction occurring before the Closing;

(iii) the presence of Hazardous Substances at, on or beneath the real property that are within the Company's possession, use or control on or before the Closing Date or any Environmental Claims existing, or based upon circumstances or conditions existing, on or before the Closing Date;

(iv) any claim based on actual fraud or willful misconduct by or on behalf of the Company arising out of factors or circumstances existing prior to or as of the Closing; and/or

(v) the matters set forth on Schedule 6.01.

(b) Notwithstanding anything to the contrary contained herein, each Seller shall individually and not jointly with the other Sellers indemnify the Purchaser Indemnified Parties for any Indemnity Loss arising from:

(i) any misrepresentation or breach of any warranty of such Seller regarding such Seller contained in this Agreement or any Related Agreement, including, without limitation, as set forth in Article III;

(ii) any breach or failure to perform by such Seller of such Seller's respective covenants, obligations or agreements contained in this Agreement or any Related Agreement;

(iii) any Taxes (or non-payment thereof) of such Seller, including such Seller's share of Transfer Taxes under Section 7.02; and/or

(iv) any claim based on actual fraud or willful misconduct by or on behalf of such Seller.

Section 6.02. Indemnification by the Purchaser. The Purchaser shall indemnify and hold harmless the Sellers (and each of them) and their respective successors, assigns, heirs, representatives and agents (collectively, the "***Seller Indemnified Parties***") from and against any and all Indemnity Losses directly or indirectly arising from or relating to (a) any misrepresentation or breach of any warranty of the Purchaser contained in this Agreement, or (b) any breach or failure to perform by the Purchaser of any of its covenants or obligations contained in this Agreement.

Section 6.03. Indemnification Notice; Litigation Notice.

(a) If a party believes that it has suffered or incurred any Indemnity Loss for which it is entitled to indemnification pursuant to Section 6.01 or Section 6.02 (such party, the "***Claimant***"), such Claimant shall notify, as the case may be, (i) the Purchaser, in the event such Claimant is a Seller Indemnified Party, or (ii) the Seller Representative, in the event such Claimant is a Purchaser Indemnified Party, promptly in writing (x) identifying the party or parties which such Claimant believes has or have an obligation to indemnify (the "***Indemnifying Party***") and (y) describing such Indemnity Loss in reasonable detail, including the amount thereof, if known (or estimated amount as necessary) (such written notice, the "***Indemnification Notice***"). If any Proceeding is instituted by a third party against the Claimant with respect to which the Claimant intends to claim any Liability or expense as an Indemnity Loss under this Article VI (a "***Third Party Claim***"), such Claimant shall promptly notify the Indemnifying Party in writing of such Third Party Claim describing such Indemnity Loss in reasonable detail, including the amount thereof, if known (or estimated amount as necessary) (such written notice, a "***Litigation Notice***"). For the avoidance of doubt, in the event that a Third Party Claim arises prior to the time an Indemnification Notice is issued by a Claimant, the Indemnification Notice and Litigation Notice may be combined into a single notice so long as such notice contains the information required in both an Indemnification Notice and a Litigation Notice. Notwithstanding the foregoing, the failure or delay to notifying the Indemnifying Party of any Indemnity Loss or Third Party Claim shall not affect the Claimant's rights or the Indemnifying Party's obligations hereunder, except to the extent that the Indemnifying Party demonstrates that it was materially and adversely prejudiced thereby.

(b) If a claim is one that is asserted directly by the Claimant against an Indemnifying Party, within thirty (30) calendar days after receipt of the applicable Indemnification Notice, the Indemnifying Party shall, by written notice to the Claimant (a "***Claim Response***"), either concede or deny liability for the claim set forth in such Indemnification Notice. If an Indemnifying Party shall deny liability, in whole or in part, such Claim Response shall be accompanied by a reasonably detailed description of the basis for such denial. If an Indemnifying Party fails to deliver a Claim Response within such thirty (30) calendar day period by 5:00 p.m., Eastern time, on the last day of such period, such Indemnifying Party shall be deemed to have conceded, subject only to the limitations set forth herein, the entire amount of such claim and, subject to the limitations set forth in this Article VI, the Claimant shall be entitled to the entire amount of such Indemnity Loss. If an Indemnifying Party denies liability for a claim, in whole or in part, the Purchaser and the Seller Representative shall attempt to resolve such dispute as promptly as possible. If the Purchaser and the Seller Representative fail to resolve such dispute within thirty (30) calendar days after receipt of the Claim Response corresponding to such dispute, any party may commence appropriate legal proceedings in order to obtain a final judgment of a court of competent jurisdiction that is not subject to further appeal as provided in Section 8.12.

Section 6.04. Defense of Third Party Claims. Upon receipt of a Litigation Notice, the applicable Indemnifying Party shall have thirty (30) calendar days after receipt of a Litigation Notice to notify the Claimant in writing that it elects to conduct and control any Proceeding with respect to an identifiable claim (the "***Election Notice***") with legal counsel reasonably satisfactory to the applicable Indemnified Parties so long as the Third Party Claim (i) seeks solely money damages (and not injunctive or other equitable relief) and, in the event that the Seller Representative, a Seller, or any of their respective Affiliates would be the Indemnifying Party, (ii) will have no continuing material adverse effect on the Business or the Company. In the event the Indemnifying Party so assumes the conduct and control of any such Third Party Claim, such assumption of the conduct and control by the Indemnifying Party shall conclusively establish for purposes of this Agreement that all Indemnity Losses incurred by the Indemnified Parties in connection with such Third Party Claim are within the scope of and subject to indemnification hereunder. If the Indemnifying Party does not give the foregoing Election Notice during such thirty (30) day period, then the Claimant shall have the right (but not the obligation) to defend, contest, settle or compromise such Third Party Claim in the exercise of its reasonable discretion. If the Indemnifying Party timely gives the foregoing Election Notice, then the Indemnifying Party shall have the right to undertake, conduct and control, at the Indemnifying Party's sole reasonable cost and expense, the conduct and settlement of such Third Party Claim, and the Claimant shall cooperate, at the Indemnifying Party's sole reasonable cost and expense, including by providing reasonable access during regular business hours to records and Personnel of the Company, as applicable, to the Indemnifying Party in connection therewith; *provided*, *however*, that (a) the Indemnifying Party shall permit the Claimant to participate in such conduct or settlement through legal counsel chosen by the Claimant, but the fees and expenses of such legal counsel shall be borne solely by the Claimant, and (b) the Indemnifying Party shall not have authority to compromise or settle any such claim without the prior written consent of the Claimant; *provided*, *however* that Claimant's consent shall not be unreasonably withheld, conditioned or delayed if such compromise or settlement (1) contains an unconditional release from all Liability of the Claimant and its Affiliates with respect to such Third Party Claim, (2) does not result in any Liability to or equitable relief against the Claimant and its Affiliates, (3) would not restrict the future activity of the Claimant or any of its Affiliates and (4) would not result in the admission or finding of a violation of Law by the Claimant or any of its Affiliates.

Section 6.05. Survival.

(a) Claims for indemnification under Section 6.01(a)(i), 6.01(b)(i), and 6.01(b)(ii) shall only be valid to the extent that such claims are made prior to the twelve (12) month anniversary of the Closing Date. If a Indemnification Notice or Litigation Notice is provided with respect to such claim prior to the expiration of such period, then the applicable representations and/or warranties shall survive only as to such claim until such claim has been fully resolved.

(b) Claims arising under the other provisions of Section 6.01, including, without limitation, Section 6.01 (a)(v), or from any breach of the Fundamental Representations may be made up to the applicable statute of limitation for such claim, without limitation.

(c) Claims arising from any breach of Section 4.14 (the "***Environmental Representations***") may be made until the six (6) year anniversary of the Closing Date.

Section 6.06. Additional Indemnification Provisions.

(a) The Sellers indemnity obligations for Indemnified Losses arising under Section 6.01(a)(i), shall not exceed $5,000,000 (the "***Indemnification Cap***"); *provided*, *however*, that the Indemnification Cap shall not apply to indemnification for Indemnified Losses the Purchaser Indemnified Party may suffer resulting from, arising out of, relating to, the breach or alleged breach of any of the following (the "***Specified Provisions***"); (i) the Fundamental Representations; (ii) the Environmental Representations, (iii) the items set forth on Schedule 6.01 or (iv) the covenants of the Sellers contained in this Agreement, and no such Damages shall be taken into account to determine whether the Indemnification Cap has been exceeded with respect to claims for Indemnification not referred to in this proviso. Notwithstanding the foregoing, Sellers' indemnity obligations for Indemnified Losses under the indemnification provisions of the Specified Provisions shall not exceed $10,000,000 if such claim is made prior to the twelve (12) month anniversary of the Closing Date and shall not exceed $5,000,000 if any such claim is mad thereafter and through the applicable survival period as set forth in Section 6.05(b).

(b) No Indemnifying Party shall be required to indemnify applicable Indemnified Parties for Indemnity Losses arising under Section 6.01(a)(i) or Section 6.02(a), as applicable, unless and until, and only to the extent that the aggregate amount of all such Indemnity Losses for which such Indemnified Parties are otherwise entitled to indemnification pursuant to this Article VI exceeds an amount equal to $50,000 (the "***Aggregate Minimum Loss***"), following which the Indemnified Parties shall be entitled to recover all of their respective Indemnity Losses, subject to the provisions set forth in subsection (b) below; *provided*, *however*, that the limitations in this Section 6.06(a) shall not apply to Indemnity Losses from claims for indemnification arising out of the Specified Provisions.

(c) For purposes of this Article VI, any inaccuracy in or breach of any representation or warranty (and any Indemnity Losses arising therefrom or related thereto) shall be determined without regard to any materiality, "***Material Adverse Effect***" or similar qualification contained in or otherwise applicable to such representation or warranty.

Section 6.07. Special Rule for Fraud. Notwithstanding anything to the contrary contained in this Agreement, in the event of any breach of a representation or warranty by any party hereto that constitutes a criminal, fraudulent, or otherwise intentionally wrongful action or omission, by or on behalf of any Seller, on the one hand, or the Purchaser, on the other hand, then (a) such representation or warranty shall survive indefinitely, and (b) the limitations set forth in Section 6.06, as applicable, shall not apply to any Indemnity Loss that the Purchaser Indemnified Parties with respect to the Seller that committed the fraud or the Seller Indemnified Parties, as the case may be, may suffer, sustain or become subject to, as a result of, arising out of, relating to or in connection with any such breach.

Section 6.08. Sole Remedy. Subject to Section 7.08, the right to indemnification under this Article VI, subject to all of the terms, conditions and limitations hereof, shall constitute the sole and exclusive right and remedy available to any party hereto (or any specified third party) for any actual or threatened breach of this Agreement, and none of the parties hereto shall initiate or maintain any Proceeding against any other party hereto which is directly or indirectly related to any breach or threatened breach of this Agreement, except that any party may pursue legal or equitable relief against any other party for any claim based upon fraud or intentional misconduct by or on behalf of the party that committed such fraud or intentional misconduct. The foregoing shall not limit the rights of a party to seek or obtain injunctive relief based upon the actual breach of any covenant contained herein and/or to enforce each of the covenants contained herein, pursuant to the terms of this Agreement (including pursuant to Section 7.08).

Section 6.09. Determination of Loss Amount. The amount of any and all Indemnified Losses under this Article VI will be determined net of any amounts actually recovered by any Indemnified Party or any of such of Indemnified Party's Affiliate or pursuant to any insurance policy or title insurance policy pursuant to which or under which such Indemnified Party or such Indemnified Party's Affiliates is a party or has rights (collectively, "***Alternative Arrangements***") less any Losses incurred in obtaining the amount recovered under such Alternative Arrangements.

Section 6.10. Mitigation. Each Indemnified Party entitled to indemnification hereunder will take commercially reasonable steps to mitigate all Losses after becoming aware of any event which could reasonably be expected to give rise to any Indemnified Losses that are indemnifiable or recoverable hereunder or in connection herewith. In the event that an Indemnifying Party makes any payment to any Indemnified Party for indemnification for which such Indemnified Party could have collected on a claim against a third party (including under any contract and any insurance claims), such Indemnifying Party will be entitled to pursue claims and conduct litigation on behalf of such Indemnified Party and any of its successors, to pursue and collect on any indemnification or other remedy available to such indemnified party thereunder with respect to such claim and generally to be subrogated to the rights of such Indemnified Party. Except pursuant to a settlement agreed to by the Indemnifying Party, the Indemnified Party will not waive or release any contractual right to recover from a third party any loss subject to indemnification hereby without the prior written consent of such Indemnifying Party. The Indemnified Party will, and will cause its Affiliates (including the Company if the Company is an Affiliate) to, cooperate with the Indemnifying Party, at such Indemnifying Party's expense, with respect to any such effort to pursue and collect with respect thereto. Notwithstanding the provisions of this Section 6.10 or the foregoing Section 6.09, in no event shall an Indemnified Party be obligated to seek recovery for all or any portion of any Indemnified Losses from any third party, including, without limitation, under any Alternative Arrangement, as a condition to obtaining damages from the applicable Indemnifying Party.

Section 6.11. Adjustments to Contribution Consideration. Except as required by applicable Law, all indemnification payments under this Article VI shall be treated as an adjustment to the Contribution Consideration for all Tax purposes.

ARTICLE VII
OTHER AGREEMENTS

Section 7.01. Confidential Information.

(a) Each Seller acknowledges and agrees that the Confidential Information of the Company is an asset that the Purchaser will acquire pursuant to this Agreement. For purposes of this Agreement, "Confidential Information" shall mean the Company's trade secrets, other Intellectual Property and other information regarding the Company, the Business and the other business operations of the Company, which information: (i) was used in the Business and was proprietary to, about or created by the Company (including the Company's Personnel) for use in the Business; (ii) is used in the Business as of the Closing Date and is proprietary to, about or created by the Company (including the Company's Personnel) for use in the Business; (iii) is designated and/or, in fact, treated as confidential by the Company; or (iv) is not generally known by any Persons other than Personnel. Each Seller agrees to maintain the confidentiality of, and refrain from using or disclosing to any Person, all Confidential Information, except to the extent disclosure of any such information is required by Law or in connection with any claims, disputes or Proceedings against the Purchaser. Notwithstanding the foregoing, "Confidential Information" shall not include information which: (i) was in the public domain on the date hereof or comes into the public domain other than through the fault or negligence of such Seller; (ii) was or is independently developed by Seller after the Closing Date without making use of any Confidential Information; (iii) is required to be disclosed during the course of pursuing or defending indemnification claims (or the matters underlying such indemnification claims) or in connection with any disputes between the Purchaser, on the one hand, and the Sellers (or any of them), on the other hand; or (iv) is required to be disclosed pursuant to applicable Laws or regulations or the order of any court or Governmental Entity, provided that such Seller shall first notify the Purchaser and the Company of any such order and afford the Purchaser and/or the Company the opportunity to seek a protective order relating to any such disclosure.

(b) If a Seller or any of its Affiliates (other than the Company) is required by interrogatories, requests for information or documents, subpoenas or similar processes to disclose any Confidential Information, such Person shall provide the Purchaser with prompt prior written notice of such request or requirement so that the Purchaser may seek an appropriate protective order (and if the Purchaser seeks such an order, each Seller will, and will cause such Seller's representatives to, provide such cooperation, at the expense of the Purchaser, as such the Purchaser shall reasonably request). If, in the absence of a protective order, any Seller or such Seller's representative(s) is nonetheless required to disclose Confidential Information, such Seller or representative(s), as the case may be: (i) may, and will cause each of such Seller's representatives to, disclose only that portion of the Confidential Information that they are legally compelled to disclose; and (ii) shall, and shall cause each of such Seller's representatives to, at the request of the Purchaser, use its commercially reasonable efforts, at the expense of the Purchaser, to obtain assurance that confidential treatment will be accorded to such Confidential Information.

Section 7.02. Transfer Taxes. All transfer, documentary, sales, use, stamp, duty, recording, registration, value added and other such similar Taxes and fees (including any penalties, interest and additions to Tax) (collectively, "***Transfer Taxes***") incurred in connection with this Agreement and Related Agreements shall be borne and paid fifty percent (50%) by Sellers, on the one hand, and fifty percent (50%) by the Purchaser, on the other. The parties agree to cooperate in the preparation and filing of all such Tax Returns or other applicable documents for or with respect to Transfer Taxes, including timely signing and delivering such Tax Returns and documents as may be necessary or appropriate to file such Tax Returns or establish an exemption from (or otherwise reduce) Transfer Taxes.

Section 7.03. Preparation of Tax Returns; Payment of Taxes.

(a) Seller Representative shall, at Seller Representative's expense, prepare, or cause to be prepared, all income Tax Returns with respect to the Company for the Tax period ending December 31, 2017 and the Tax period ending on the Closing Date ("***Pre-Closing Income Tax Returns***"). Such Pre-Closing Income Tax Returns shall be prepared in a manner that is consistent with the prior practice of the Company, except as required by applicable Law. At least twenty (20) days prior to filing such Pre-Closing Income Tax Returns (taking into account any extension), the Seller Representative shall submit a copy of such Pre-Closing Income Tax Returns to the Purchaser for the Purchaser's review, comment and approval. Seller Representative shall revise, or cause to be revised, such Pre-Closing Income Tax Returns to reflect the Purchaser's comments to such Pre-Closing Income Tax Returns, if any, prior to filing each such Pre-Closing Income Tax Return with the applicable Governmental Entity; however, if Purchaser's revisions to such Pre-Closing Income Tax Returns increase the tax liability of Sellers by more than $25,000, Sellers may submit such revisions to the Accounting Firm for its determination of whether such revisions are required by applicable Law to be made to such Pre-Closing Income Tax Returns. The determination of the Accounting Firm shall be rendered within 30 days, and the Purchaser and Sellers' Representative agree to file such Pre-Closing Income Tax Returns consistently with such determination. The Company shall timely pay to the appropriate Governmental Entity the full amount of any Taxes due and payable by the Company with respect to such Pre-Closing Income Tax Returns. Each Seller shall pay to the Purchaser no later than five (5) business days before the due date of such Pre-Closing Income Tax Return (taking into account any extension) such Seller's allocable share (in accordance with such Seller's Percentage Interest) of the amount equal to the Taxes payable by the Company with respect to such Pre-Closing Income Tax Return.

(b) the Purchaser shall, at its expense, prepare and timely file, or cause to be prepared and timely filed, (i) all Tax Returns with respect to the Company for any Tax period ending on or prior to the Closing Date but that are required to be filed after the Closing Date (other than Pre-Closing Income Tax Returns, which are governed by Section 7.03(a) above), and (ii) any Tax Return required to be filed by the Company for a Straddle Period (a "***Straddle Period Tax Return***"). All such Tax Returns shall be prepared and filed in a manner that is consistent with the prior practice of the Company, except as required by applicable Law. With respect to Taxes of the Company relating to a Straddle Period, the parties agree that the portion of such Tax that relates to the portion of such Straddle Period ending on the Closing Date shall (i) in the case of any Taxes other than Taxes based upon or related to income, receipts, profits, wages, capital, net worth or expenses, be deemed to be the amount of such Tax for the entire Straddle Period *multiplied* by a fraction (A) the numerator of which is the number of days in the portion of the Straddle Period ending on the Closing Date and (B) the denominator of which is the total number of days in the entire Straddle Period, and (ii) in the case of any Tax based upon or related to income, receipts, profits, wages, capital, net worth or expenses, be determined as though the taxable year of the Company terminated at the close of business on the Closing Date. Each Seller shall pay to the Purchaser at least five (5) days before the filing of such Tax Return (taking into account any extension) such Seller's allocable share (in accordance with such Seller's Percentage Interest) of the portion of the Taxes shown as due on such Tax Return (or, with respect to a Straddle Period Tax Return, the portion of the Taxes shown as due on such Tax Return that relate to the portion of such Straddle Period ending on the Closing Date (as determined pursuant to this Section 7.03(b))).

(c) Without the consent of the Seller Representative, which consent shall not be unreasonably withheld, conditioned or delayed, the Purchaser shall not amend or cause to be amended any Tax Return of the Company for any Taxable period ending on or before the Closing Date unless required by applicable Law.

Section 7.04. Cooperation on Tax Matters.

(a) The parties hereto shall cooperate, and shall cause their respective representatives to cooperate, including by agreeing to furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to Taxes, including access to books and records, as is reasonably necessary in preparing and filing all Tax Returns, in making any election relating to Taxes, in handling audits, examinations, investigations and administrative, court or other Proceedings relating to Taxes, in resolving all disputes, audits and refund claims with respect to Tax Returns and Taxes and in all other relevant Tax matters. Any information obtained by any party or its Affiliates from another party or its Affiliates in connection with any Tax matters to which this Agreement relates shall be kept confidential, except: (i) as may be otherwise necessary (A) in connection with the filing of Tax Returns or an audit or other Proceeding relating to Taxes or as may be otherwise required by applicable Law, (B) to enforce rights under this Agreement or (C) to pursue any claim for refund or contest any proposed Tax assessment; or (ii) for any external disclosure in audited financial statements or regulatory filings which a party reasonably believes is required by applicable Law or stock exchange or similar applicable rules.

(b) Notwithstanding the provisions of Section 7.04(a), and in addition to all other obligations imposed by this Section 7.04, each of the Sellers and the Purchaser agree to give the other party reasonable written notice prior to transferring, destroying or discarding any Files and Records with respect to Tax matters and, if the other party so requests, shall allow the other party to take possession of such Files and Records.

Section 7.05. Tax Contests.

(a) the Purchaser or the Company, on the one hand, and the Sellers, on the other hand, shall promptly notify each other upon receipt by such party of written notice of any inquiries, claims, assessments, audits, proceeding or similar events with respect to Taxes or Tax Returns of the Company relating to a Pre-Closing Tax Period (any such inquiry, claim, assessment, audit, proceeding or similar event, a "***Tax Matter***").

(b) Purchaser shall have sole control of the conduct of all Tax Matters, including any conduct, control, settlement or compromise thereof; provided, however, that Purchaser shall not settle or compromise any such Tax Matter without the prior written consent of Seller Representative (not to be unreasonably withheld, conditioned or delayed).

Section 7.06. Release. Effective as of the Closing, each Seller, on behalf of itself, and such Seller's Affiliates and each of its and their respective heirs, successors and assigns (collectively, the "***Releasing Parties***"), hereby releases, acquits and forever discharges the Company, and any and all of its successors and assigns, together with all their present and former equity holders, directors, managers, officers and employees (collectively, the "***Released Parties***"), from any and all manner of claims, actions, suits, damages, demands and liabilities whatsoever in law or equity, whether known or unknown, liquidated or unliquidated, fixed, contingent, direct or indirect, which the Releasing Party ever had, has or may have against any of the Released Parties for, upon, or by reason of any matter, transaction, act, omission or thing whatsoever arising under or in connection with any of the Released Parties, from facts or circumstances existing from the beginning of time to and including the Closing Date, other than obligations arising under this Agreement or any transactions or documents contemplated thereby or executed in connection therewith.

Section 7.07. Non-Competition; Non-Solicitation. Each of the Sellers hereby acknowledges that: (i) in addition to disposing of such Seller's beneficial ownership interest in the Company as set forth in this Agreement, such Seller is selling all the goodwill of the Company associated with or attributable to the Contributed Interests; (ii) such Seller has contributed to the development of the goodwill of the Company; and (iii) the parties hereto have agreed upon the consideration for the Contributed Interests to specifically include and reflect such sale of goodwill. In consideration of the sale of such Seller's beneficial ownership in the Company, including the sale of all goodwill, and the Purchaser's agreement to issue to such Seller such Seller's allocation of Jacoby Interests (subject to the terms and conditions set forth herein), such Seller agrees that:

(a) Except as provided in this Section 7.07, during the period commencing at the Closing and up to and through the earlier of (x) the fourth (4th) anniversary of the Closing Date and (y) such date that is three (3) years after the termination of such party's applicable Consulting Agreement (the "***Restricted Period***"), neither BLP nor Clive Fleissig, whether directly or indirectly, shall for itself or himself, on behalf of or in conjunction with any other Person in any capacity (as a principal, equity holder, joint-venturer, partner, director, officer, agent, executive, consultant, contractor, employee, lender or otherwise), and such party shall cause such party's respective Affiliates not to (whether or not for pecuniary benefit) (collectively, the "***Covenanting Party***"):

(i) induce, solicit, hire, recruit or attempt to persuade any Person to terminate such Person's employment or other relationship with the Company or any of its Affiliates (collectively, "***Company Parties***") or not to establish an employment or other relationship with any Company Party, whether or not such Person is or would be an employee, consultant, contractor, manager, director, officer and/or employee, whether or not such relationship is or would be pursuant to a written or oral agreement and whether or not such relationship is for a specific period of time or is at-will, other than through general solicitations published or otherwise distributed to the public at large, not targeting nor delivered directly to, or for the ultimate receipt by, any Company Party;

(ii) employ or establish a business relationship with (or attempt to employ or establish a business relationship with), or encourage or assist any Person to employ or establish a business relationship with, any individual who is, was at any time within the six (6) month period prior to the date hereof, or will be at any time during the Restricted Period, an employee, consultant, contractor, manager, officer, director or employee of any Company Party other than through general solicitations published or otherwise distributed to the public at large, not targeting nor delivered directly to, or for the ultimate receipt by, any Company Party;

(iii) direct or engage in any act which may interfere with or materially and adversely affect, alter or change the relationship (contractual or otherwise) of any Company Party with any Person that is a Client, Prospective Client, vendor, supplier or contractor of any Company Party, or otherwise induce or attempt to induce any such Person to cease doing business, reduce or otherwise limit its business with any Company Party, in each case, to the extent such Covenanting Party has Knowledge of any such Client, Prospective Client, vendor, supplier or contractor and their relationship or interactions with any Company Party;

(iv) solicit business from any Client or Prospective Client, or do business with any Client or Prospective Client, involving the Business or any business that is directly competitive with the Business; or

(v) engage or participate in, manage, operate, be employed by, consult with, advise, or be financially interested in, any Person engaged in the Business anywhere where the Company transacts the Business during the three (3) year period immediately prior to the Closing Date (provided, however, that nothing contained in this Section 7.07 shall prevent the holding for passive investment of less than five percent (5%) of any class of equity securities of a company whose securities are publicly traded on a national securities exchange or in a national market system).

(b) For purposes of this Section 7.07, "***Client***" means a Person for whom or which any Company Party performed services or to whom or which any Company Party sold or licensed its products, during the prior twelve (12) months. "***Prospective Client***" means Persons whose business was solicited by any Company Party during the prior twelve (12) months.

(c) This Section 7.07 shall not restrict or limit a Seller from: (i) soliciting or hiring (x) any employee or former employee (1) whose employment or relationship with any Company Party was terminated at least (A) 180 days before such solicitation in the event such employment or relationship was terminated by the applicable Company Party or (B) one year before such solicitation in the event such employment or relationship was terminated by the former employee, or (2) by general solicitations not specifically directed at any such employee; or (ii) performing services for the Purchaser, the Company or any Affiliate thereof pursuant to any employment agreement to be entered into at Closing.

(d) The Sellers acknowledge that the restrictions contained in this Section 7.07 are reasonable and necessary to protect the legitimate interests of the Purchaser and its Affiliates (including the Company) and constitute a material inducement to the Purchaser to enter into this Agreement and the Related Agreements and to consummate the transactions contemplated by this Agreement and the Related Agreements. In the event that any covenant contained in this Section 7.07 should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Laws in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Laws. The covenants contained in this Section 7.07 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

Section 7.08. Remedies. (a) Each Seller acknowledges that remedies at law may be inadequate to protect the Purchaser and the Company against any actual or threatened breach of Section 7.01 or Section 7.07 by such Seller. Without limiting any other rights or remedies available to the Purchaser, the Purchaser will, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to obtain equitable relief from an actual or threatened violation of Section 7.01 or Section 7.07, including specific performance and temporary or permanent injunctive relief. To obtain any such equitable relief, the Purchaser need not post a bond or other security or prove actual damages.

Section 7.09. Seller Representative.

(a) Each Seller hereby irrevocably appoints BLP as such Seller's representative, agent and attorney in fact for and on behalf of the Sellers, and BLP is hereby the Seller Representative for all purposes under this Agreement. Without limiting the generality of the foregoing, the Seller Representative has full power and authority, on behalf of each Seller and such Seller's successors and assigns, to (i) interpret the terms and provisions of this Agreement and the Related Agreements, (ii) execute and deliver and receive deliveries of all agreements, certificates, statements, notices, approvals, extensions, waivers, undertakings, amendments and other documents required or permitted to be given in connection with the consummation of the transactions contemplated by this Agreement and any Related Agreement, (iii) receive service of process in connection with any claims under this Agreement or any Related Agreement, (iv) agree to, negotiate and enter into settlements and compromises of, assume the defense of claims, and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Seller Representative for the accomplishment of the foregoing, (v) give and receive notices and communications, (vi) take all actions necessary or appropriate in the judgment of the Seller Representative on behalf of the Sellers in connection with this Agreement, and (vii) authorize recovery by any the Purchaser Indemnified Party of claims brought by any the Purchaser Indemnified Party for Indemnity Losses.

(b) From and after the Closing, a decision, act, consent or instruction of the Seller Representative will constitute a decision of all Sellers and will be final, binding, conclusive and non-appealable upon each Seller, and the Purchaser is hereby entitled to rely upon any decision, act, consent or instruction of the Seller Representative as being the decision, act, consent or instruction of each Seller. Any notice or communication delivered by the Purchaser or any Company Party to the Seller Representative after the Closing shall, as between the Purchaser and such Company Party, on the one hand, and the Sellers, on the other hand, be deemed to have been delivered to all Sellers. The Purchaser, the Company, and each of their respective Affiliates shall be entitled to rely exclusively upon any communication or writings given or executed by the Seller Representative in connection with any claims for indemnity and shall not be liable in any manner whatsoever for any action taken or not taken in reliance upon the actions taken or not taken or communications or writings given or executed by the Seller Representative. The Purchaser, the Company, and each of their respective Affiliates shall be entitled to disregard any notices or communications given or made by the Sellers in connection with any claims for indemnity unless given or made through the Seller Representative in accordance with the provisions of this Agreement.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Public Announcements. No party to this Agreement, other than Purchaser, shall make any public announcement of the transactions provided for in, or contemplated by, this Agreement or any of the Related Agreements unless the form and substance of the announcement is agreed upon by the Purchaser at Purchaser's sole, absolute and unfettered discretion, or unless public disclosure is necessary to comply with applicable Laws, provided the Person required to make such disclosure gives Purchaser reasonable prior notice thereof and cooperates in good faith with Purchaser's efforts to prevent or limit such disclosure, and shall then only make such disclosure as is necessary to comply with the applicable Laws, as so modified, if at all, by Purchaser. The Purchaser shall not make any public announcement prior to the Closing Date without the prior consent of Sellers, which consent shall not be unreasonably withheld, conditioned or delayed. Purchaser may make any public announcement at any time following the Closing Date.

Section 8.02. Costs and Expenses. Purchaser shall at its sole cost and expense bear all expenses and costs incurred by the Parties herein in connection with this Agreement and the Related Agreements and the transactions contemplated by any of them, including the fees and disbursements of any legal counsel, independent accountants or any other Person or representative whose services have been used by the Parties.

Section 8.03. Further Assurances. From and after the date of this Agreement, the parties shall cooperate reasonably with each other in connection with any steps required to be taken as part of their respective obligations under this Agreement or any of the Related Agreements, and shall: (a) furnish upon request to each other such further information, (b) execute and deliver to each other such other documents, and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of transactions contemplated by this Agreement and the Related Agreements.

Section 8.04. Addresses for Notices, Etc.. All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given, as follows: (a) on the actual date of service if delivered personally, (b) at the time of receipt of confirmation by the transmitting party if by electronic transmission, (c) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Section 8.04, *provided* that a party sending notice by electronic delivery shall bear the burden of authentication and of proving transmittal, receipt and time of receipt, or (d) on the day after delivery to a nationally recognized overnight courier service during its business hours or the Express Mail service maintained by the United States Postal Service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section 8.04:

If to the Sellers or the Seller Representative:	Jeffrey Sherman Better Life Products, Inc. 359 Van Ness Way, Torrance, CA 90501 E-mail: Jsherman@vapornation.com With copy to: Jeffrey Sherman Better Life Products, Inc. c/o Clive Fleissig 10561 Rochester Avenue Los Angeles, CA, 90024 E-mail cfleissig@rochesteradvisors.com
With a copy to (which copy shall not constitute notice hereunder):	Royse Law Firm, P.C. 149 Commonwealth Ave. Suite 1001 Menlo Park, CA 94025 Attn: Harpreet Walia Facsimisle: (650) 813-9777 E-mail: hwalia@rroyselaw.com
If to the Purchaser:	Jacoby Holdings LLC 6501 Park of Commerce Blvd., Suite 200 Boca Raton, FL 33487 Attn: Aaron LoCascio E-mail: aaron@gnln.com
With a copy to (which copy shall not constitute notice hereunder):	Pryor Cashman LLP 7 Times Square New York, NY 10036 Attn: Jeffrey C. Johnson Facsimile: (212) 326-0118 E-mail: jjohnson@pryorcashman.com

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Section 8.04.

Section 8.05. Headings. The Article, Section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

Section 8.06. Construction.

(a) The parties have participated jointly in the negotiation and drafting of this Agreement and the Related Agreements, and, in the event of an ambiguity or a question of intent or a need for interpretation arises, this Agreement and the Related Agreements shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement or any of the Related Agreements.

(b) Except as otherwise specifically provided in this Agreement or any of the Related Agreements (such as by use of the words "sole", "absolute discretion", "complete discretion" or words of similar import), if any provision of this Agreement or any of the Related Agreements requires or provides for the consent, waiver or approval of a party, such consent, waiver or approval shall not be unreasonably withheld, conditioned or delayed.

(c) The Disclosure Schedules referred to herein shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

(d) Words of any gender used in this Agreement or any of the Related Agreements shall be held and construed to include any other gender; words in the singular shall be held to include the plural and words in the plural shall be held to include the singular, unless and only to the extent the context indicates otherwise.

(e) "Hereunder," "hereof," "hereto," "herein," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof.

(f) "Including" (and with correlative meaning "includes" or "include") means including without limiting the generality of any description preceding such term.

(g) References to documents, instruments or agreements shall be deemed to refer as well to all addenda, appendices, Exhibits, Schedules or amendments thereto.

Section 8.07. Severability. The invalidity or unenforceability of any provision of this Agreement or any of the Related Agreements shall in no way affect the validity or enforceability of any other provision of this Agreement or any of the Related Agreements. Wherever possible, each provision hereof shall be interpreted in such a manner as to be effective and valid under applicable Law. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability, without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 8.08. Entire Agreement and Amendment. This Agreement and the Related Agreements, including the Exhibits and Schedules referred to and incorporated by reference herein and therein that form a part of this Agreement and the Related Agreements, contain the entire understanding of the parties with respect to the subject matter of this Agreement and the Related Agreements. This Agreement and the Related Agreements supersede all prior agreements and understandings among the parties hereto with respect to the transactions contemplated by this Agreement and the Related Agreements, including any and all letters of intent, memoranda of understanding, term sheets or the like. This Agreement may not be amended, supplemented or otherwise modified except by a written agreement executed by each of the Purchaser and the Seller Representative, and any such amendment, supplement or modification set forth in such executed written agreement shall be binding on all of the parties hereto.

Section 8.09. No Waiver; Cumulative Remedies. Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party in exercising any right, power or remedy under this Agreement or any of the Related Agreements shall operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy shall preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable Law: (a) no claim or right arising out of this Agreement or any of the Related Agreements can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party, (b) no waiver that may be given by a party shall be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one party shall be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or any of the Related Agreements.

Section 8.10. Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than the Purchaser and each of the Sellers and their respective successors and permitted assigns and the Purchaser Indemnified Parties and the Seller Indemnified Parties under Article VI; *provided*, *however*, that the Company shall be a third party beneficiary of the covenants and agreements set forth in Sections 7.01, 7.07 and 7.08.

Section 8.11. Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and permitted assigns. No Seller shall assign or delegate such Seller's rights or duties hereunder or under any of the Related Agreements, in whole or in part, without the prior written consent of the Purchaser. The Sellers hereby consent to the Purchaser's assignment of this Agreement and the rights hereunder to its Affiliates and to the collateral assignment of the Purchaser's rights under this Agreement and the Related Agreements to lenders of the Purchaser or its Affiliates. Any purported assignment made in contravention of this Section 8.11 shall be null and void.

Section 8.12. Governing Law; Jurisdiction and Venue. This Agreement, and all claims or causes of action (whether at law, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. Each of the parties hereto irrevocably (a) consents to submit itself to the personal jurisdiction of the United States District Court for the Southern District of New York in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, and, in connection with any such matter, to service of process by notice as otherwise provided herein, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than in the United States Court for the Southern District of New York. Any party may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 8.04.

Section 8.13. Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON LAW, CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

Section 8.14. Counterparts. This Agreement may be executed in multiple original, electronic or facsimile counterparts, each of which will be deemed an original, but all of which when taken together shall constitute one and the same agreement.

[Signatures Begin on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Contribution Agreement to be executed as of the date first written above.

THE PURCHASER

JACOBY HOLDINGS LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

SELLERS

BETTER LIFE PRODUCTS, INC.

By: /s/ Jeffrey Sherman
Name: Jeffrey Sherman
Title: President

ROCHESTER VAPOR GROUP, LLC

By: /s/ Clive Fleissig
Name: Clive Fleissig
Title: Manager

SELLER REPRESENTATIVE

BETTER LIFE PRODUCTS, INC.

By: /s/ Jeffrey Sherman
Name: Jeffrey Sherman
Title: President

EXHIBIT A

Definitions

As used in this Agreement, the following terms have the meanings indicated below:

"***Accounting Firm***" means Grant Thornton LLP, or such other accounting firm of similar standing that has no preexisting relationship with any party hereto, as mutually agreed by Purchaser and Sellers' Representative.

"***Affiliate***" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person, as the case may be. As used in this definition, "control" (including, its correlative meanings "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of ten percent (10%) or more of outstanding voting securities or partnership or other ownership interests, by Contract or otherwise).

"***Applicable Privacy and Data Security Laws***" means (a) all privacy, security, data collection, data protection, data sharing, direct marketing, consumer protection, location tracking, customer tracking, behavioral marketing, and workplace privacy laws, rules and regulations of any applicable jurisdiction and all then-current industry standards, guidelines and practices with respect to privacy, security, data protection, data sharing, direct marketing, consumer protection, location tracking, customer tracking, behavioral marketing, and workplace privacy, including the collection, processing, storage, protection and disclosure of Personal Information, and (b) the applicable data security and privacy policies of the Company and its Subsidiaries.

"***Business***" means the sale and distribution of tobacco vaporizers and other similar products.

"***Business Day***" means any day other than Saturday, Sunday and any day on which commercial banks in the State of New York are authorized by Law to be closed.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Contract***" means any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sale contract, mortgage, license, franchise, insurance policy, commitment or other arrangement or agreement, whether written or oral.

"***Debt***" means, with respect to any Person: (a) all indebtedness of such Person for borrowed money, amounts payable under debt or like instruments, including outstanding promissory notes or letter of credit facilities and any principal, interest, overdrafts, premiums, make whole premiums or payments, fees and prepayment, termination and other penalties and expenses with respect to the foregoing; (b) for the reimbursement of amounts drawn on any letter of credit and in respect of bankers' acceptances or similar transactions; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person; (d) all obligations of such Person issued or assumed as the deferred purchase price of property, goods or services (including earn outs but excluding trade payables or accruals incurred in the Ordinary Course of Business); (e) all indebtedness of any other Person with respect to borrowed money, notes payable or amounts outstanding under letter of credit facilities, which amounts are secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property or assets owned by such Person, whether or not the obligations secured thereby have been assumed; (f) all guarantees, whether direct or indirect, by such Person of indebtedness of any other Person with respect to borrowed money, notes payable or amounts outstanding under letter of credit facilities; (g) all capital lease obligations that have or should have been capitalized in accordance with GAAP; (h) customer deposits and sums received in advance from customers; (i) all amounts owed by the Company to any Person under any noncompetition, bonus, and severance agreements or retirement and termination arrangements (to the extent any amounts owed pursuant to such agreements or arrangements do not become payable as a result of any action taken by the Purchaser or any of its Affiliates post-Closing), consulting or deferred compensation arrangements arising in connection with a transaction not in the Ordinary Course of Business, (including the transaction contemplated under this Agreement); (j) any Company credit card balances that are unrelated to the Business; and (k) all negative cash and obligations arising from cash/book overdrafts. For the avoidance of doubt, all of the Company's debt obligations to any Seller or other equityholder of the Company shall be considered Debt of the Company.

"***Employee Plans***" means any "employee benefit plan" as defined in Section 3(3) of ERISA (whether or not subject to ERISA) and each other plan, policy, program, practice, agreement, understanding or arrangement (whether written or oral) providing compensation or other benefits to any current or former director, manager, officer, employee or consultant (or to any dependent or beneficiary thereof) of the Company or any ERISA Affiliate of the Company, which is now, or was maintained, sponsored or contributed to by the Company or any ERISA Affiliate of the Company, or under which the Company or any ERISA Affiliate of the Company has or may have any obligation or liability, whether actual or contingent, including all incentive, bonus, deferred compensation, change in control, employment, severance, retirement, vacation, holiday, cafeteria, fringe benefit, medical, disability, stock purchase, sick leave, option, stock appreciation, phantom stock, restricted stock or other stock-based compensation plans, policies, programs, practices or arrangements.

"***Encumbrance***" means all liens (statutory or other), leases, mortgages, pledges, security interests, conditional sales agreements, charges, claims, options, easements, rights of way (other than easements of record) and other encumbrances of any kind or nature whatsoever.

"***Environmental Claim***" means any and all administrative, regulatory or judicial actions, suits or proceedings as well as any actions, suits or proceedings initiated by a third party, public or private, alleging liability arising out of or resulting from: (a) the presence or Release into the environment of any Hazardous Substance at the real property that is within the Company's possession, use or control; or (b) any violation or alleged violation of Environmental Law.

"***Environmental Laws***" means all federal, state or local statutes, laws, regulations, judgments and orders relating to protection of human health or the environment, including laws and regulations relating to Releases or threatened Releases of Hazardous Substances, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

"***Environmental Permits***" means all Licenses and Permits issued pursuant to Environmental Law.

"***Equity Securities***" means, with respect to a Person that is an entity, any shares of capital stock, limited liability company interests, options, warrants, phantom equity, convertible notes or other convertible debt instruments or other equity securities of such Person which have ever been offered or sold by such Person.

"***ERISA***" means the Employee Retirement Income Security Act of 1974 and the rules of regulations promulgated thereunder from time to time.

"***ERISA Affiliate***" means any Person that, together with the Company, is required to be treated as a single employer under Section 414 of the Code.

"***Files and Records***" means all financial and accounting files, records and other information of the Company.

"***Fundamental Representation***" means any representation or warranty set forth in Section 3.01 (Organization; Power; Capacity), Section 3.02 (Authorization and Validity of Agreement), Section 3.03 (Title to the Contributed Interests), Section 3.06 (Acquisition for Own Account), Section 3.08 (Accredited Investor), Section 3.09 (No Bad Actor Disqualification), Section 3.11 (Anti-Terrorism and Money Laundering Activities), Section 3.12 (Broker's and Finder's Fees), Section 4.01 (Organization; Power), Section 4.02 (Capitalization), Section 4.06 (Tax Matters), the first sentence of Section 4.22 (Title to Assets and Related Matters), Section 4.23 (Broker's and Finder's Fees), Section 5.01 (Organization; Power), Section 5.02 (Title to the Jacoby Interests), Section 5.03 (Authorization and Validity of Agreement).

"***GAAP***" means the prevailing generally accepted accounting principles in the United States, in effect from time to time, consistently applied with past practices of the Company.

"***Governing Documents***" means, with respect to any particular entity: (a) if a corporation, the articles or certificate of incorporation and the bylaws of such entity; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles or certificate of organization or formation and the limited liability company operating agreement; (e) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equity holders of any Person; and (g) any amendment, restatement or supplement to any of the foregoing.

"***Governmental Entity***" means any court, government agency, department, commission, board, bureau or instrumentality of the United States, any local, county, state, federal or political subdivision thereof, or any foreign governmental entity of any kind.

"***Hazardous Substances***" means any chemicals, materials or substances which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or similar terms under, or otherwise regulated under, any Environmental Law.

"***Indemnified Parties***" means the Purchaser Indemnified Parties or the Seller Indemnified Parties, as the context requires.

"***Indemnity Loss***" means, net of any applicable insurance proceeds, actual damages, losses, obligations, Liabilities, Taxes, deficiencies, claims, encumbrances, penalties, costs, disbursements and expenses, including reasonable costs of investigation and defense and reasonable attorneys' fees and expenses; provided, however, that "Indemnity Loss" shall not include consequential damages, indirect damages, exemplary damages, speculative damages, lost profits, diminution in value, or special or punitive damages (other than special or punitive damages payable to a third party).

"***IPO***" means an initial public offering of equity securities pursuant to an effective registration statement filed under the Securities Act or, if earlier, the registration of such equity securities pursuant to Section 12(b) or Section 12(g) of the Securities Exchange Act of 1934, as amended, or any Canadian Law equivalents.

"***Knowledge***" or words of similar import, means, with respect to any Person, the actual knowledge of such Person, in each case with such additional knowledge as such Person would acquire after having undertaken reasonable due inquiry. With respect to the Company, "Knowledge" means the Knowledge of Jeffrey Sherman and Clive Fleissig.

"***Law***" means any local, county, state, federal, foreign or other law, statute, regulation, ordinance, rule, order, decree, judgment, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Entity.

"***Liability***" with respect to any Person, means any Debt, liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person. For the avoidance of doubt, with respect to the Company, Liability shall include Debt.

"***Licenses and Permits***" means all licenses, permits, franchises, certificates, approvals and authorizations that relate directly or indirectly to, or are necessary for, the conduct of the Business or the operation of the assets and all pending applications therefor or renewals thereof, including any of the foregoing required under Environmental Law.

"***Material Adverse Effect***" when used with respect to the Company, means any event, change, circumstance or effect that, individually or in the aggregate, has had, or is reasonably likely to have, a materially adverse effect upon the assets, financial condition or results of operations of the Company; provided, however, that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (a) any adverse change, event, development or effect arising from or relating to (i) general business or economic conditions, including such conditions related to the Business, (ii) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (iii) financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (iv) changes in Law, (v) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, (vi) any "act of God," including weather, natural disasters and earthquakes, or (vii) changes resulting from the announcement of the execution of this Agreement or the transactions contemplated hereunder; except, with respect to clauses (i), (iii) or (iv), to the extent that such change, event, development or effect has a materially disproportionate effect on the business of the Company relative to other businesses in the industry in which the Company operates.

"***Multiemployer Plan***" means any Employee Plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA.

"***Ordinary Course of Business***" means any action taken by a Person if such action is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person.

"***Percentage Interest***" means, with respect to a Seller, such Seller's aggregate economic percentage interest of the equity of the Company as set forth on Exhibit B attached hereto.

"***Permitted Encumbrance***" means any of the following: (a) carriers, workmen, warehousemen, repairmen, mechanics, contractors, materialmen and other similar Persons and other liens imposed by applicable Laws; (b) with respect to the real property that is within the Company's possession, use or control, the provisions of all applicable zoning Laws; (c) purchase money liens securing rental payments under capital lease arrangements that will be released as of the Closing; (d) Encumbrances created by, or for the benefit of, the Purchaser; and (e) Encumbrances for Taxes not yet due and payable or for Taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided on the books and records of the Company in accordance with GAAP.

"***Person***" means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust or unincorporated organization, or any Governmental Entity, officer, department, commission, board, bureau or instrumentality thereof.

"***Personal Information***" means, in addition to any definitions provided by the Company for any similar term (e.g., "personally identifiable information" or "PII") in the Company's privacy policy or other public-facing statement, all information regarding or capable of being associated with an individual person or device, including (a) information that identifies, could be used to identify or is otherwise identifiable with an individual, including an individual's name, physical address, telephone number, email address, financial account number or government-issued identifier (including Social Security number and driver's license number), medical, biometric, health or insurance information, gender, date of birth, educational or employment information, religious or political views or affiliations, marital or other status, and any other data used or intended to be used to identify, contact or precisely locate an individual (e.g., geolocation data), (b) information that is created, maintained, or accessed by an individual (e.g., videos, audio or individual contact information), (c) any data regarding an individual's activities online or on a mobile device or other application (e.g., searches conducted, web pages or content visited or viewed) and (d) Internet Protocol addresses, unique device identifiers or other persistent identifiers. Personal Information may relate to any individual, including a current, prospective or former customer or employee of any Person. Personal Information includes information in any form, including paper, electronic and other forms.

"***Personnel***" means any manager, director, officer or employee of a particular Person.

"***Pre-Closing Tax Period***" means any Tax period ending on or before the Closing Date and that portion of any Straddle Period ending on the Closing Date.

"***Proceeding***" means any judicial, administrative or arbitral actions, suits or proceedings (public or private) by or before any Governmental Entity or before any arbitrator, mediator or other alternative dispute resolution provider pursuant to any collective bargaining agreement, contractual agreement or Law, and including any audit or examination, or other administrative or court proceeding with respect to Taxes or Tax Returns.

"***Related Agreements***" means all other agreements, documents and certificates entered into pursuant to this Agreement, except for the Consulting Agreements.

"***Release***" means any release, spill, emission, emptying, leaking, injection, deposit, disposal, discharge, dispersal, leaching, pumping, pouring, or migration into the atmosphere, soil, surface water, groundwater or property.

"***Securities Act***" means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder from time to time.

"***Seller Representative***" means the Person appointed agent and attorney in fact for and on behalf of the Sellers pursuant to Section 7.09.

"***Straddle Period***" means any Tax period beginning on or before and ending after the Closing Date.

"***Subsidiary***" means a Person of which more than twenty-five percent (25%) of the voting power of the Equity Securities is owned, directly or indirectly, by the specified Person.

"***Tax***" or "***Taxes***" means all federal, state, local and foreign taxes (including income taxes, excise taxes, value added taxes, occupancy taxes, employment taxes, withholding taxes, escheat or unclaimed property, unemployment taxes, ad valorem taxes, custom duties and transfer taxes) and similar fees, levies, imposts, impositions, assessments and governmental charges imposed upon a Person, including all taxes and governmental charges imposed upon any of the personal properties, real properties, tangible or intangible assets, income, receipts, payrolls, transactions, equity transfers, equity, net worth or franchises of a Person (including all sales, use, withholding or other taxes which a Person is required to collect or pay over to any government), and all related additions to tax, penalties or interest thereon.

"***Tax Return***" means and includes all returns, statements, declarations, estimates, forms, reports, information returns and any other documents (including all consolidated, affiliated, combined or unitary versions of the same) relating to Taxes, including all related and supporting information, in each case, filed or required by Law to be filed with any Governmental Entity in connection with the determination, assessment, reporting, payment, collection or administration of any Taxes, and including Treasury Form TD F 90-22.1 and FinCEN Form 114.

"***Treasury Regulations***" means the Treasury Regulations promulgated under the Code, as such Treasury Regulations may be amended from time to time. Any reference herein to a particular provision of the Treasury Regulations means, where appropriate, the corresponding successor provision.

"***Warranty Claims***" means any claims arising in respect of the Company's obligations under any extended warranties sold by the Company covering Company Products, but specifically excluding warranty claims arising from any manufacturer's warranty covering Company Products.

Each of the following terms is defined in the Section set forth opposite such term:

Defined Terms	Section
Aggregate Minimum Loss	Section 6.06(b)
Agreement	Preamble
Alternative Arrangements	Section 6.09)
BLP	Preamble
Claim Response	Section 6.03(b)
Claimant	Section 6.03(a)
Client	Section 7.07(b)
Closing	Section 2.01
Closing Date	Section 2.01
Company	Recitals
Company Parties	Section 7.07(a)(i)
Company Products	Section 4.28
Company Software Products	Section 4.11(g)
Company Systems	Section 4.11(j)
Consulting Agreements	Section 2.02(n)
Contributed Interests	Recitals
Contribution Consideration	Section 1.02
Covenanting Party	Section 7.07(a)
Disclosure Schedules	Article IV
Disqualification Event	Section 3.09
Election Notice	Section 6.04
Employee	Section 4.13(a)
Environmental Representations	Section 6.05(c)
Financial Statements	Section 4.05(a)
Indemnification Cap	Section 6.06(a)
Indemnification Notice	Section 6.03(a)
Indemnifying Party	Section 6.03(a)
Intellectual Property	Section 4.11(a)
Intellectual Property License	Section 4.11(a)
Jacoby Interests	Section 1.02
Jacoby Operating Agreement	Section 2.02(b)
Leased Real Property	Section 4.09(a)
Litigation Notice	Section 6.03(a)
Material Adverse Effect	Section 6.06(c)
Material Contracts	Section 4.18
Open Source Code	Section 4.11(g)
Operating Agreement	Section 2.02(i)
PCI Requirements	Section 4.17
Pension Plan	Section 4.12(e)
Policy or Policies	Section 4.16
Pre-Closing Income Tax Returns	Section 7.03(a)
Product Plans	Section 4.28
Prospective Client	Section 7.07(b)
Purchaser	Preamble
Purchaser Indemnified Parties	Section 6.01(a)
Real Property Leases	Section 4.09(a)
Released Parties	Section 7.06
Releasing Parties	Section 7.06
Restricted Period	Section 7.07(a)
Rule 506(d) Related Party	Section 3.09
Seller or Sellers	Preamble
Specified Provisions	Section 6.06(a)
Straddle Period Tax Return	Section 7.03(b)
Tax Matter	Section 7.05(a)
Third Party Claim	Section 6.03(a)
Transfer Taxes	Section 7.02

EXHIBIT B

Sellers

Seller	Interests	Percentage Interest
Better Life Products, Inc.	12,000,000 Class A Common Units	79.019%
Rochester Vapor Group, LLC	3,186,166 Class B Common Units	20.981%

EXHIBIT C-1

BLP Consulting Agreement

(See attached.)

EXHIBIT C-2

Fleissig Consulting Agreement

(See attached.)

Exhibit 10.11

Jacoby & Co., Inc.
6501 Park of Commerce Boulevard, #200
Boca Raton, Florida 33487

Execution Version

October 28, 2015

Mr. Aaron LoCascio
1570 SE 14th Court
Deerfield Beach, FL 33441

Re: Offer of Employment/Letter Agreement

Dear Aaron:

Jacoby & Co., Inc. (the "Company") is pleased to offer you (the "Executive") employment as Co-President pursuant to the following terms and conditions. If the following terms and conditions are acceptable, sign below where indicated and return this letter to the Company. Upon your execution of this letter, it shall constitute your employment agreement ("Agreement") with the Company.

1. Employment and Terms. The Company hereby agrees to employ the Executive and the Executive hereby agrees to continue to serve the Company for the period commencing on the date this Letter Agreement is executed by the Executive (the "Effective Date") and expiring three (3) years from that date (the "Initial Term"). The term hereof shall automatically extend and renew for additional periods of twelve (12) months on each date upon which the term otherwise would have expired, unless either the Company or the Executive notifies the other party in writing of its or his intention not to extend or renew said Agreement at least sixty (60) days prior to the expiration date. The Initial Term as such term may be extended hereunder, is hereinafter referred to as the "Term."

1.1 Duties of Executive. The Executive shall perform the duties commensurate with the office of Co-President, which is the highest ranking executive in conjunction with the other Co-President, including without limitation, hiring, firing and other personnel matters with respect to employees, determination of the appropriate level of compensation for all of the Company's non-executive employees and the oversight of all of the day to day operations of the Company, in each case subject to the terms and conditions of that certain Amended and Restated Shareholder Agreement, dated as of October 28, 2015, by and among the Company, the Executive and Aaron LoCascio (the "Shareholder Agreement"), including, without limitation, Section 2.2 thereof. The Executive shall report directly to the Board of Directors (the "Board"). The Executive shall diligently perform all services assigned to him consistent with his title and with the employment policies of the Company. The Company will not reduce the amount of Executive's employee compensation unless the other Co-President experiences a pro rata reduction in his employee compensation.

1.2 Required Time Commitment. The Executive agrees to devote at least thirty-five (35) hours per week to the performance of the business of the Company and its affiliates. Executive and Company acknowledge that Executive is a frequent traveler and that he performs a substantial part of his duties while away from the Company offices (both electronically and otherwise), and that such work time away from the Company offices shall be counted towards the foregoing thirty-five (35) hour required time commitment.

1.3 Self-Identification as Executive of the Company. The Executive agrees to, while engaging in activities on behalf of the Company, related to the Company or constituting the "Business" (as such term is defined in the Shareholder Agreement), to identify himself as an executive of the Company. Methods of such self-identification shall include, without limitation, the following: (a) use of a business card identifying the Company and indicating that the Executive is a Co-President of the Company and (b) use of the Executive's Company email address.

2. Compensation.

2.1 Base Salary. Commencing on the first normal pay period following the Effective Date, the Executive shall be entitled to a base salary at the rate of $280,000 per annum (the base salary in effect from time to time is hereinafter referred to as the "Base Salary") with such Base Salary payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. The Base Salary of each Co-President shall be the same while Co-Presidents are serving. Commencing with calendar year 2016, if the Executive and Adam Schoenfeld are unable to agree on the Base Salary of the Co-Presidents (a "Salary Event") for a particular calendar year (a "Salary Event Year"), the Base Salary for such Salary Event Year shall be equal to the Base Salary of the immediately preceding year ended December 31. If either of the Executive or Adam Schoenfeld becomes a resident of a state that has (a) progressive income tax rates and a highest marginal rate of four percent (4%) or greater, inclusive of any local tax and excluding any federal taxes, or (b) a flat income tax rate of four percent (4%) or greater, inclusive of any local tax and excluding any federal taxes (a "Tax Event"), then the Base Salary of each of the Executive and Adam Schoenfeld shall thereafter be no less than $460,000 per annum; provided, however, that if a Salary Event occurs during the continuance of a Tax Event, each of the Executive and Adam Schoenfeld shall be entitled to total salary and bonus compensation for such Salary Event Year of no less than the greater of (i) $460,000 and (ii) the Base Salary plus the applicable Salary Event Bonus as provided in Section 2.2 for such Salary Event Year plus any additional awarded bonuses under Section 2.2.

2.2 Bonus. The Executive may receive bonuses on such dates, in such amounts and on such other terms as may be determined by the Board in its sole discretion and as received by the other Co-President while one is serving; provided, however, that for any Salary Event Year, unless otherwise mutually agreed by the Executive and Schoenfeld, the Executive shall receive a bonus of no less than thirty percent (30%) of the Base Salary for such Salary Event Year (a "Salary Event Bonus") payable no later than December 31 of the Salary Event Year and payable to the Executive and Adam Schoenfeld on the same date.

3. Benefits.

(a) The Executive shall be entitled to participate in such benefit plans as the Company provides to its executives from time to time in accordance with the Company's policies. Such participation will be subject to the terms and conditions of such plans, and any other restrictions or limitations imposed by law. The scope and terms of any benefit plans shall be determined by the Board in its sole discretion.

(b) The Executive shall be entitled to twenty (20) business days of paid vacation per year of employment as well as five (5) paid personal days per year of employment. Any unused portion of vacation days or personal days in a particular year of employment will expire at the end of such year of employment. Notwithstanding anything to the contrary in Section 7 of this Agreement, in the event of a conflict between this Section 3(b) and the last sentence of Section 2.3 of the Shareholder Agreement, this Section 3(b) shall govern.

(c) The Company may, at its expense, obtain "key man" life insurance on the life the Executive naming the Company as beneficiary in such amount as the Company deems appropriate and the Executive will cooperate with the Company with respect to obtaining such insurance but shall not be required to submit to invasive blood or other testing.

4. Termination.

4.1 Termination for Cause. (a) This Agreement may be terminated by the Company for Cause. "Cause" shall mean: (i) a material breach of the provisions of Section 1.2 (Required Time Commitment) of this Agreement; *provided* such breach remains uncured for a period of ten (10) days after written notice describing the same is given to the Executive; (ii) a violation of the provisions of Section 6.1 (Activities Not Related to the Business) of the Shareholder Agreement; (iii) the Executive's indictment for any crime involving violence, fraud, intentional or reckless dishonesty (which shall not include controlled substance offenses), misappropriation or embezzlement; (iv) any material breach by the Executive of the provisions of his Proprietary Rights Agreement (as defined below); or (v) any breach by the Executive of any non-competition and/or non-solicitation provisions of the Shareholder Agreement (provided that any such breach that is non-material shall be subject to a ten (10) day cure period, or, if retroactive cure is not possible, the Executive shall cease such non-material breach, and that there shall be no cure period with respect to any such breach that is material).

(b) If the Executive's employment is terminated for Cause, Executive shall receive his Base Salary to the date of termination, any bonus that has accrued but is unpaid as of the date of termination and any reimbursable expenses not yet reimbursed as of such date.

4.2 Death and Disability. (a) This Agreement shall terminate immediately upon the death of the Executive.

(b) The Company may terminate this Agreement upon written notice to the Executive if the Executive is unable to substantially perform the essential functions of his job, with or without reasonable accommodation, as contemplated by Section 1.1 of this Agreement, by reason of a physical or mental illness or other condition, on a full-time basis for the entire period of six consecutive months.

(c) In the case of termination of employment due to death or Disability (as such term is defined in the Shareholder Agreement) of the Executive, the Executive (or his estate) shall receive his Base Salary for six (6) months after the date of termination, any bonus that has accrued but is unpaid as of the date of termination, payment for any accrued but unused vacation days and any reimbursable expenses not yet reimbursed as of such date.

5. Governing Law.

(a) This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction (including, without limitation, the State of Nevada), that would cause the application of laws of any jurisdiction other than those of the State of Florida.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF FLORIDA, IN EACH CASE LOCATED IN THE COUNTY OF PALM BEACH, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) If any civil action, arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach or default in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses even if not taxable as court costs (including all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that civil action, arbitration or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the prevailing party.

6. Amendment. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of a party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by a party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, or any one or more or continuing waivers of any such breach, shall constitute a waiver of the breach of any other term or covenant contained in this Agreement.

7. Other Documents. Executive shall execute the Company's Employee Proprietary Rights and Confidentiality Agreement (the "Proprietary Rights Agreement") in the form attached hereto as Exhibit A simultaneously with the execution of this Agreement. The Proprietary Rights Agreement shall be binding upon the Executive and the Company as if it were part of this Agreement. Except as specifically provided in this Agreement or the Shareholder Agreement, this Agreement shall be subject in all respects to the Shareholder Agreement. In the event of any conflict between this Agreement and the Shareholder Agreement, the Shareholder Agreement shall in all respects govern. Notwithstanding the foregoing, this Section 7 shall not affect Section 3(b) of this Agreement.

8. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The parties hereto agree that electronic and facsimile signatures shall be acceptable.

9. Successors and Assigns. This Agreement shall be binding upon the legal representatives, heirs, distributees, successors and assigns of the parties hereto.

[*remainder of page intentionally left blank; signature page follows*]

By signing below, the parties are agreeing to the terms hereof.

Very truly yours,

JACOBY & CO., INC.

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

By: /s/ Adam Schoenfeld
Name: Adam Schoenfeld
Title: Co-President

Agreed And Accepted:

/s/ Aaron LoCascio
Aaron LoCascio

Dated: October 28, 2015 (the "Effective Date")

EXHIBIT A

EMPLOYEE PROPRIETARY RIGHTS AND CONFIDENTIALITY AGREEMENT

Execution Version

EMPLOYEE PROPRIETARY RIGHTS
AND CONFIDENTIALITY AGREEMENT

This Agreement, made the 28th day of October, 2015, is between JACOBY & CO., INC. ("Company") and AARON LOCASCIO ("Employee").

WHEREAS, subject to Employee's agreement to, and compliance with, this Agreement Company has agreed to employ Employee, and Employee has agreed to be employed by Company; and

WHEREAS, Company and Employee each acknowledge and agree that, as part of Employee's job duties, Employee will from time-to-time have access to Confidential Information as more specifically defined below and may from time-to-time conceive of, author, or otherwise create or assist in the conception, authorship or development of certain Inventions and Works of Authorship as more specifically defined below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company and Employee agree as follows:

1. Intellectual Property.

   a. Ownership and Works Made For Hire. Employee hereby agrees that Company shall be the sole and exclusive owner of any and all ideas, inventions, discoveries, computer hardware and software, algorithms, improvements and devices relating thereto, and other information and know-how heretofore or hereinafter conceived, developed or made by Employee on behalf of or for the benefit of Company, either alone or with others, during the course of Employee's employment by Company, or which are conceived, developed or made using Company equipment or resources, or by reason of knowledge gained from such employment (hereinafter "Inventions"), together with any graphic designs, narrative works, business plans, financial analyses, lab notes, designs, specifications, programming, source code, object code, flow charts, data, compilations of data and other information and works of authorship of any nature compiled, authored or otherwise developed by Employee and relating to such Inventions or otherwise created during the course of Employee's employment with Company or using Company equipment or resources on behalf of or for the benefit of Company (the "Works of Authorship") and all trademark, copyright, trade secret, patent and other intellectual and industrial property rights of whatever nature throughout the world covering or embodied by such Inventions and Works of Authorship, that the Works of Authorship constitute "works made for hire" (as that term is defined in the United States Copyright Act as amended) by Employee because they have either been prepared by Employee while acting within the scope of Employee's employment with Company or they have been specifically ordered or commissioned from Employee for use by Company and that, as such, Company is the author and owner of such Works of Authorship.

b. Assignment. Employee hereby acknowledges and agrees that, to the extent any Inventions or Works of Authorship are not, for whatever reason, deemed to be "works made for hire" or otherwise solely and exclusively owned by Company, Employee hereby grants, transfers, conveys and assigns to Company and its successors and assigns all of Employee's right, title, interest, ownership and all subsidiary rights in and to such Inventions and Works of Authorship and all trademark, trade secret, copyright, patent and other intellectual and industrial property rights of whatever nature throughout the world covering or embodied by such Inventions and Works of Authorship, including the right to apply for, register, obtain, maintain, enforce and defend the foregoing in any jurisdiction throughout the world.

c. Disclosure. Employee hereby agrees to keep and maintain current and complete records of, and to disclose promptly and in writing to Company, all Inventions and Works of Authorship to which Company is or may arguably be entitled as provided above, and agrees not to (i) disclose such Inventions and Works of Authorship to others, except as required in accordance with Employee's duties as an employee of Company, or (ii) move copies of such written records to, or keep copies of such records at, locations other than Company's premises, in either case without the express prior written consent of Company.

d. Continuing Assistance. Employee hereby further agrees that during the term of Employee's employment with Company and at any time thereafter, Employee shall execute and deliver to Company any written documents necessary or appropriate, in Company's sole discretion, to effectuate the assignment to Company of any and all rights in such Inventions and Works of Authorship to which Company is entitled as provided above, and will execute all papers and perform any other lawful acts requested by Company for the preparation, prosecution, procurement, maintenance, enforcement and defense of any trademark, trade secret, copyright, patent and/or other intellectual or industrial property rights in and for such Inventions and Works of Authorship throughout the world, and will execute all documents and perform any other lawful act necessary to vest title in Company to such Inventions and Works of Authorship and all trademarks, trade secrets, copyrights, patents and other intellectual and industrial property rights relating thereto. To the extent that, for any reason or no reason, including without limitation Employee's physical or mental incapacity, Employee fails to comply with Employee's obligations described above in this paragraph 1(d), Employee hereby appoints Company as Employee's agent and attorney in fact, and grants to Company a power-of-attorney with full power of substitution, to execute, deliver and file any documents, and perform any acts, Employee would otherwise lawfully be obligated to execute, deliver, file or perform pursuant to this paragraph 1(d), with the same legal force and effect as if executed, delivered, filed or performed by Employee. Such power of attorney shall be deemed coupled with an interest for the purposes of effecting the foregoing assignments, prosecutions, procurement, maintenance, enforcement and defense.

e. Pre-existing Rights. In the event that Employee uses or incorporates into any Inventions, Works of Authorship or other work product of Employee created in the course of Employee's employment with Company any (i) ideas, inventions, discoveries, computer hardware and software, algorithms, improvements and devices relating thereto conceived, developed or made by Employee prior to, or outside the scope of, Employee's employment with Company, or (ii) any graphic designs, narrative works, business plans, financial analyses, lab notes, designs, specifications, programming, source code, object code, flow charts, data, compilations of data and other information compiled, authored, developed or otherwise created by Employee prior to, or outside the scope of, Employee's employment with Company (collectively, the "Pre-existing Inventions and Works"), then Employee shall be deemed to have granted to Company a perpetual, irrevocable, fully-paid, royalty-free, non-exclusive, transferable, assignable, sublicenseable right, under any and all trademarks, trade secrets, copyrights, patents and other intellectual and industrial property rights of whatever nature throughout the world covering or embodied by the Pre-existing Inventions and Works, to make, have made, use, copy, distribute, display, perform, modify, translate, offer to sell, sell, and otherwise transfer or dispose of the Preexisting Inventions and Works and any products and services embodying or covered by such trademarks, trade secrets, copyrights, patents and other intellectual and industrial property rights. Employee covenants and agrees that it shall notify Company in writing of all Pre-existing Inventions and Works prior to incorporating the same into any Inventions, Works of Authorship or other work product created in the course of Employee's employment with Company.

f. Moral Rights Waiver. Employee hereby releases, waives and assigns in favor of Company any and all "moral" rights related to the Works of Authorship, including without limitation: the right of paternity (i.e., acknowledgment of authorship), disclosure, withdrawal and integrity (i.e., right to prevent changes to the work).

2. Confidentiality and Non-disparagement.

a. Non-Disclosure. For so long as Employee is employed by Company and thereafter for so long as the Confidential Information (as hereinafter defined) has not otherwise been publicly disclosed by Company, Employee hereby expressly agrees that (i) Employee shall not divulge, directly or indirectly, other than in the regular and proper course of business of Company, any Confidential Information, and (ii) Employee shall not use, directly or indirectly, any Confidential Information for the benefit of anyone other than Company; provided, however, that Employee shall have no obligation, express or implied, to refrain from using or disclosing to others any Confidential Information which is or hereafter shall become generally available to the public other than through Employee's breach of this Agreement. Notwithstanding anything to the contrary in this Agreement, (i) in the event that Employee is required by law, regulation, legal or regulatory process, court order, or other governmental requirement (each a "Governmental Requirement") to disclose any Confidential Information, Employee shall, to the extent permitted by law, provide Company with notice of any such request or requirement so that Company may seek a protective order or other appropriate remedy (and Employee will reasonably cooperate with Company in such efforts, at Company's request) or waive compliance with the provisions of this Agreement and (ii) if, in the absence of a protective order or other remedy or the receipt of a waiver from Company, Employee is advised by legal counsel that it is nonetheless required to disclose Confidential Information, Employee may, without liability under this Agreement, disclose only that portion of the Confidential Information required to be so disclosed (provided that Employee will cooperate with Company, at Company's request, to obtain assurance that confidential treatment will be accorded such disclosed information). In the event Employee makes or learns of any unauthorized disclosure of Confidential Information, Employee shall promptly notify Company of such unauthorized disclosure and in good faith cooperate with Company's efforts to ameliorate the effects of, or otherwise enforce its rights in connection with, such unauthorized disclosure. Notwithstanding the foregoing, Employee may disclose Confidential Information to his attorneys, accountants or other professional advisors if such Confidential Information is necessary to address Employee's legal, tax or accounting issues (provided that any such advisor other than an attorney or accountant shall be required to be bound by nondisclosure obligations at least as restrictive as the restrictions contained in this paragraph 2(a) prior to Confidential Information being disclosed to any such advisor).

b. Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall mean any information, whether oral or written and whether in a tangible or intangible form, not generally known in the relevant trade or industry (i.e. any trade or industry in which Company engages or is then engaged) or otherwise not generally available to the public, which was obtained from or disclosed to Employee by Company, its affiliates or their predecessors or which was learned, discovered, developed, conceived, originated or prepared by Employee in the course of Employee's employment with Company, including, without limitation, Inventions, Works of Authorship, and any other product, service, marketing, operating and financial information, computer software, source code, object codes, and flow charts proprietary to Company.

c. Possession. All Confidential Information in Employee's possession at any time shall be the exclusive property of Company, shall not be copied, summarized, extracted from, or removed from the premises of Company, except in pursuit of the business of Company and at the direction of Company, and shall be delivered to Company, without Employee retaining any copies, upon the termination of Employee's employment with Company or at any earlier time as requested by Company.

d. Prior Obligations. Employee warrants that the performance of its duties and obligations under this Agreement will not constitute a breach or default under any other agreement to which Employee is bound, that it is not bound by any pre-existing (i.e., before the date of this Agreement first set forth above) obligation of confidentiality or duty to assign rights in any Inventions or Works of Authorship (whether written, oral or otherwise) to any other person or entity that may foreseeably interfere with or conflict with Employee's job duties or compliance with this Agreement, nor is there any pending or threatened proceeding, investigation or action alleging (or to Employee's knowledge any basis for such a proceeding, investigation or action) that Employee is bound by any such obligation or duty. Employee covenants and agrees that, for so long as Employee is employed by Company, Employee shall (i) comply with any pre-existing confidentiality obligations, (ii) in the event Employee's job duties with Company may in the future potentially conflict with such obligations, inform Company of such conflict and refrain from making any disclosures or otherwise taking any action that violate Employee's pre-existing confidentiality obligations, (iii) at all times in good faith work with Company to determine a course of action which will allow Employee to perform Employee' job duties without violating any pre-existing confidentiality obligations, and (iv) not hereafter enter into any agreement with any other person or entity that imposes upon Employee obligations of confidentiality that conflict with, or may foreseeably conflict with, the proper performance of Employee's job duties with Company. Employee hereby consents to Company notifying any subsequent employers of Employee that Employee is bound by obligations of confidentiality as set forth in this Agreement.

e. Non-disparagement. Employee covenants and agrees that, for so long as Employee is employed by Company and for five (5) years thereafter, Employee shall not make, publish or otherwise disseminate disparaging or derogatory statements or allegations, whether written, oral or otherwise, regarding Company or its affiliates, or any officers, directors, employees, products, services, policies or operations of Company or its affiliates. The provisions of this paragraph 2(e) in no way restrict or prohibit Employee from providing truthful testimony when such testimony is lawfully compelled pursuant to any court order or other legal process.

3. Non-Competition; Non-Solicitation.

For so long as Employee is employed by Company or Employee or any of Employee's Permitted Transferees (as such term is defined in the Amended and Restated Shareholder Agreement of Company, dated as of October 28, 2015 (the "Shareholder Agreement")) own any Securities of Company and for a period of twenty-four (24) months beginning on the later of (a) the date of Employee's termination of employment with Company and (b) the date that Employee or any of Employee's Permitted Transferees no longer owns any Securities of Company, Employee shall not: (i) other than as requested in writing by and on behalf of Company and/or its subsidiaries, directly or indirectly through an affiliate or any other person, as an employee, agent, consultant, advisor, independent contractor, general partner, officer, director, stockholder, member, proprietor, investor, joint venture, lender or guarantor of any person, or in any other capacity, anywhere in the world (the "Restricted Territory") either directly or indirectly participate or engage in, or manage, advise, direct, rend services to or lend credit to persons participating or engaged in the Business (as such term is defined in the Shareholder Agreement) in the Restricted Territory (provided, however, that, notwithstanding anything to the contrary in this paragraph 3, the passive investment by Employee and Employee's affiliates in less than five percent (5%), in the aggregate, of the outstanding publicly traded securities (in the aggregate) of any company engaged in the Business shall not, in and of itself, constitute a violation of this paragraph 3); or (ii) without the prior written consent of Company, directly or indirectly through an affiliate or any other person (and shall not assist or encourage others to), directly or indirectly, solicit to hire or hire (or cause or seek to cause to leave the employ of Company or any subsidiary or affiliate), any employee of Company or any subsidiary or affiliates or any person who has left the employ of Company during the six months immediately preceding such solicitation or hiring, except pursuant to a general solicitation that is not directed specifically to any employees or independent contractors of Company, any of Company's subsidiaries or any of their respective affiliates.

"Securities" shall mean, at any time, without duplication, shares of the common stock, no par value per share, of Company (the "Common Stock"), shares of preferred stock, warrants, options, convertible securities or indebtedness, exchangeable securities or indebtedness, subscription rights or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, the Common Stock or other equity of Company, whether at the time of issuance, upon the passage of time, or the occurrence of some future event.

4. No Further Consideration.

Employee acknowledges and agrees that, except as compensated in accordance with Employee's status as an employee of Company, Employee shall not be entitled to any further or additional compensation in consideration of (i) the assignment by Employee of Employee's rights in any Inventions and/or Works of Authorship as provided for above in paragraphs 1 (a) and (b), (ii) the licenses (if any) granted to Company as provided for above in paragraph 1(e), (iii) complying with the confidentiality and non-disparagement obligations set forth above in paragraph 2, and (iv) the provision of any services as provided for above in paragraph 1(d); provided, however, that Employee shall be reimbursed for actual out-of-pocket expenses incurred in rendering to Company the services specified in paragraph 1(d).

5. Term.

This Agreement shall commence and be effective as of the date of this Agreement first set forth above and shall terminate on the date Employee ceases to be an employee of Company. Notwithstanding the above, Employee's obligations arising pursuant to paragraphs 1, 2, 3 and 4 above, and paragraphs 6 and 7(c), (d), (e) and (f) below, shall survive termination of this Agreement. In addition, those rights, duties and obligations of Company and Employee set forth in this Agreement that, by their nature, are intended to survive the termination of this Agreement shall survive the termination of this Agreement.

6. Originality.

Employee hereby warrants and represents to Company that, to the best of Employee's knowledge after reasonable inquiry and except as expressly disclosed to Company in writing by Employee, all Inventions, Works of Authorship and Pre-existing Inventions and Works shall be original and shall not have been conceived, reduced to practice, authored or otherwise developed by misappropriating the trade secrets or other proprietary technology or intellectual property of any third parties. Employee hereby agrees to indemnify, defend and hold Company harmless from and against any and all third party claims, and any costs, damages and liabilities resulting therefrom, made against or imposed upon Company as a result of Employee's breach of the above representation and warranty. The foregoing representation and warranty shall be deemed first made on the date hereof and shall run continuously thereafter and apply to all Inventions, Works of Authorship and Pre-existing Inventions and Works governed by this Agreement.

7. Miscellaneous.

a. Survival, Assignability. Employee shall not assign this Agreement without the express prior written consent of Company, which consent may be withheld for any reason or no reason at Company's sole discretion. Except as otherwise provided herein, this Agreement shall be binding upon the respective heirs, successors, and permitted assigns of the parties hereto. Company shall be free to assign its rights hereunder to any other party without the consent of Employee.

b. Severability. Any provision of this Agreement which is determined to be illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof which shall be severable and enforceable according to their terms and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Notwithstanding anything to the contrary in the immediately foregoing sentence, but otherwise without limiting the generality of the immediately foregoing sentence, if, at the time of enforcement of any provision of this Agreement (including, without limitation, paragraph 3 hereof), a court of competent jurisdiction shall hold that the period or scope restrictions or any other restriction stated in this Agreement are unreasonable under circumstances then existing, the parties agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope and that the court shall be allowed and directed to revise the restrictions contained in this Agreement to cover the maximum period or scope permitted by applicable law.

c. Specific Performance and Equitable Relief. Employee acknowledges and agrees that Company would suffer irreparable harm if Company's rights in the Inventions and Works of Authorship were not protected and/or the Confidential Information was disclosed to third parties without Company's consent. Accordingly, Employee hereby consents to and agrees that, in the event of a breach or threatened breach of this Agreement by Employee, Company shall have the right to exercise any and all rights by appropriate action either by law or in equity, including specific performance of Employee's obligations arising pursuant to paragraphs 1, 2 and 3 above, and that Company shall be entitled to equitable relief, including injunctive relief, in connection with any breach or threatened breach, by Employee, of Employee's obligations arising pursuant to paragraphs 2(a), 2(c), 2(d), 2(e) and 3 above. Employee further agrees that Employee shall not request that Company post, nor shall Company be obligated to post, a bond in connection with any equitable relief authorized pursuant to this paragraph 7(c) and in fact requested by Company.

d. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida and, to the extent applicable, the laws and regulations of the United States of America governing intellectual property matters, without giving effect to the provisions, policies or principles under Florida State law respecting conflict or choice of law. EMPLOYEE ACKNOWLEDGES AND AGREES THAT, PRIOR TO EXECUTING THIS AGREEMENT, EMPLOYEE WAS AFFORDED AN OPPORTUNITY TO OBTAIN THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND HAS READ AND UNDERSTOOD ALL OF THIS AGREEMENT. ACCORDINGLY, THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION OF THIS AGREEMENT.

e. Choice of Forum. Each of the parties hereby consents to the jurisdiction of any state or federal court located within the County of Palm Beach, State of Florida, and irrevocably agrees that all actions or proceedings relating to this Agreement must be litigated in such courts, and each of the parties waives any objections which it may have based on improper venue or forum non conveniens to the conduct of any proceeding in such court.

f. Entire Agreement. This Agreement, the Shareholder Agreement and that certain Employment Agreement by and between Company and Employee, dated October 28, 2015, contain the entire understanding of the parties with respect to its subject matter, and supersedes all prior written or oral agreements and understandings between the parties with respect to its subject matter. This Agreement may not be changed orally, and any written change or amendment must be signed and accepted by Company.

g. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement (and all signatures need not appear on any one counterpart), and this Agreement shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused it to be binding and effective upon each of them in accordance with its terms.

JACOBY & CO., INC.

By: _____
Name: Aaron LoCascio
Title: Co-President

By: _____
Name: Adam Schoenfeld
Title: Co-President

EMPLOYEE

_____
Aaron LoCascio

Exhibit 10.12

Execution version

JACOBY & CO., INC.
6501 Park of Commerce Boulevard, #200
Boca Raton, Florida 33487

October 28, 2015

Mr. Adam Schoenfeld
3606 S. Ocean Boulevard #901
Highland Beach, FL 33487

Re: Offer of Employment/Letter Agreement

Dear Adam:

Jacoby & Co., Inc. (the "Company") is pleased to offer you (the "Executive") employment as Co-President pursuant to the following terms and conditions. If the following terms and conditions are acceptable, sign below where indicated and return this letter to the Company. Upon your execution of this letter, it shall constitute your employment agreement ("Agreement") with the Company.

1. Employment and Terms. The Company hereby agrees to employ the Executive and the Executive hereby agrees to continue to serve the Company for the period commencing on the date this Letter Agreement is executed by the Executive (the "Effective Date") and expiring three (3) years from that date (the "Initial Term"). The term hereof shall automatically extend and renew for additional periods of twelve (12) months on each date upon which the term otherwise would have expired, unless either the Company or the Executive notifies the other party in writing of its or his intention not to extend or renew said Agreement at least sixty (60) days prior to the expiration date. The Initial Term as such term may be extended hereunder, is hereinafter referred to as the "Term."

1.1 Duties of Executive. The Executive shall perform the duties commensurate with the office of Co-President, which is the highest ranking executive in conjunction with the other Co-President, including without limitation, hiring, firing and other personnel matters with respect to employees, determination of the appropriate level of compensation for all of the Company's non-executive employees and the oversight of all of the day to day operations of the Company, in each case subject to the terms and conditions of that certain Amended and Restated Shareholder Agreement, dated as of October 28, 2015, by and among the Company, the Executive and Aaron LoCascio (the "Shareholder Agreement"), including, without limitation, Section 2.2 thereof. The Executive shall report directly to the Board of Directors (the "Board"). The Executive shall diligently perform all services assigned to him consistent with his title and with the employment policies of the Company. The Company will not reduce the amount of Executive's employee compensation unless the other Co-President experiences a pro rata reduction in his employee compensation.

1.2 Required Time Commitment. The Executive agrees to devote at leastthirty-five (35) hours per week to the performance of the business of the Company and its affiliates. Executive and Company acknowledge that Executive is a frequent traveler and that he performs a substantial part of his duties while away from the Company offices (both electronically and otherwise), and that such work time away from the Company offices shall be counted towards the foregoing thirty-five (35) hour required time commitment.

1.3 Self-Identification as Executive of the Company. The Executive agrees to, while engaging in activities on behalf of the Company, related to the Company or constituting the "Business" (as such term is defined in the Shareholder Agreement), to identify himself as an executive of the Company. Methods of such self-identification shall include, without limitation, the following: (a) use of a business card identifying the Company and indicating that the Executive is a Co-President of the Company and (b) use of the Executive's Company email address.

2. Compensation.

2.1 Base Salary. Commencing on the first normal pay period following the Effective Date, the Executive shall be entitled to a base salary at the rate of $280,000 per annum (the base salary in effect from time to time is hereinafter referred to as the "Base Salary") with such Base Salary payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. The Base Salary of each Co-President shall be the same while Co-Presidents are serving. Commencing with calendar year 2016, if the Executive and Aaron LoCascio are unable to agree on the Base Salary of the Co-Presidents (a "Salary Event") for a particular calendar year (a "Salary Event Year"), the Base Salary for such Salary Event Year shall be equal to the Base Salary of the immediately preceding year ended December 31. If either of the Executive or Aaron LoCascio becomes a resident of a state that has (a) progressive income tax rates and a highest marginal rate of four percent (4%) or greater, inclusive of any local tax and excluding any federal taxes, or (b) a flat income tax rate of four percent (4%) or greater, inclusive of any local tax and excluding any federal taxes (a "Tax Event"), then the Base Salary of each of the Executive and Aaron LoCascio shall thereafter be no less than $460,000 per annum; provided, however, that if a Salary Event occurs during the continuance of a Tax Event, each of the Executive and Aaron LoCascio shall be entitled to total salary and bonus compensation for such Salary Event Year of no less than the greater of (i) $460,000 and (ii) the Base Salary plus the applicable Salary Event Bonus as provided in Section 2.2 for such Salary Event Year plus any additional awarded bonuses under Section 2.2.

2.2 Bonus. The Executive may receive bonuses on such dates, in such amounts and on such other terms as may be determined by the Board in its sole discretion and as received by the other Co-President while one is serving; provided, however, that for any Salary Event Year, unless otherwise mutually agreed by the Executive and Schoenfeld, the Executive shall receive a bonus of no less than thirty percent (30%) of the Base Salary for such Salary Event Year (a "Salary Event Bonus") payable no later than December 31 of the Salary Event Year and payable to the Executive and Aaron LoCascio on the same date.

3. Benefits.

(a) The Executive shall be entitled to participate in such benefit plans as the Company provides to its executives from time to time in accordance with the Company's policies. Such participation will be subject to the terms and conditions of such plans, and any other restrictions or limitations imposed by law. The scope and terms of any benefit plans shall be determined by the Board in its sole discretion.

(b) The Executive shall be entitled to twenty (20) business days of paid vacation per year of employment as well as five (5) paid personal days per year of employment. Any unused portion of vacation days or personal days in a particular year of employment will expire at the end of such year of employment. Notwithstanding anything to the contrary in Section 7 of this Agreement, in the event of a conflict between this Section 3(b) and the last sentence of Section 2.3 of the Shareholder Agreement, this Section 3(b) shall govern.

(c) The Company may, at its expense, obtain "key man" life insurance on the life the Executive naming the Company as beneficiary in such amount as the Company deems appropriate and the Executive will cooperate with the Company with respect to obtaining such insurance but shall not be required to submit to invasive blood or other testing.

4. Termination.

4.1 Termination for Cause. (a) This Agreement may be terminated by the Company for Cause. "Cause" shall mean: (i) a material breach of the provisions of Section 1.2 (Required Time Commitment) of this Agreement; *provided* such breach remains uncured for a period of ten (10) days after written notice describing the same is given to the Executive; (ii) a violation of the provisions of Section 6.1 (Activities Not Related to the Business) of the Shareholder Agreement; (iii) the Executive's indictment for any crime involving violence, fraud, intentional or reckless dishonesty (which shall not include controlled substance offenses), misappropriation or embezzlement; (iv) any material breach by the Executive of the provisions of his Proprietary Rights Agreement (as defined below); or (v) any breach by the Executive of any non-competition and/or non-solicitation provisions of the Shareholder Agreement (provided that any such breach that is non-material shall be subject to a ten (10) day cure period, or, if retroactive cure is not possible, the Executive shall cease such non-material breach, and that there shall be no cure period with respect to any such breach that is material).

(b) If the Executive's employment is terminated for Cause, Executive shall receive his Base Salary to the date of termination, any bonus that has accrued but is unpaid as of the date of termination and any reimbursable expenses not yet reimbursed as of such date.

4.2 Death and Disability. (a) This Agreement shall terminate immediately upon the death of the Executive.

(b) The Company may terminate this Agreement upon written notice to the Executive if the Executive is unable to substantially perform the essential functions of his job, with or without reasonable accommodation, as contemplated by Section 1.1 of this Agreement, by reason of a physical or mental illness or other condition, on a full-time basis for the entire period of six consecutive months.

(c) In the case of termination of employment due to death or Disability (as such term is defined in the Shareholder Agreement) of the Executive, the Executive (or his estate) shall receive his Base Salary for six (6) months after the date of termination, any bonus that has accrued but is unpaid as of the date of termination, payment for any accrued but unused vacation days and any reimbursable expenses not yet reimbursed as of such date.

5. Governing Law.

(a) This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction (including, without limitation, the State of Nevada), that would cause the application of laws of any jurisdiction other than those of the State of Florida.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF FLORIDA, IN EACH CASE LOCATED IN THE COUNTY OF PALM BEACH, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING.

(c) If any civil action, arbitration or other legal proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach or default in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, sales and use taxes, court costs and all expenses even if not taxable as court costs (including all such fees, taxes, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that civil action, arbitration or legal proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the prevailing party.

6. Amendment. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of a party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by a party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, or any one or more or continuing waivers of any such breach, shall constitute a waiver of the breach of any other term or covenant contained in this Agreement.

7. Other Documents. Executive shall execute the Company's Employee Proprietary Rights and Confidentiality Agreement (the "Proprietary Rights Agreement") in the form attached hereto as Exhibit A simultaneously with the execution of this Agreement. The Proprietary Rights Agreement shall be binding upon the Executive and the Company as if it were part of this Agreement. Except as specifically provided in this Agreement or the Shareholder Agreement, this Agreement shall be subject in all respects to the Shareholder Agreement. In the event of any conflict between this Agreement and the Shareholder Agreement, the Shareholder Agreement shall in all respects govern. Notwithstanding the foregoing, this Section 7 shall not affect Section 3(b) of this Agreement.

8. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The parties hereto agree that electronic and facsimile signatures shall be acceptable.

9. Successors and Assigns. This Agreement shall be binding upon the legal representatives, heirs, distributees, successors and assigns of the parties hereto.

[*remainder of page intentionally left blank; signature page follows*]

By signing below, the parties are agreeing to the terms hereof.

Very truly yours,

JACOBY & CO., INC.

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: Co-President

By: /s/ Adam Schoenfeld
Name: Adam Schoenfeld
Title: Co-President

Agreed and Accepted:

/s/ Adam Schoenfeld
Adam Schoenfeld

Dated:. October 28, 2015 (the "Effective Date")

[Singnature Page Schoenfeld Employment Agmt.]

EXHIBIT A

EMPLOYEE PROPRIETARY RIGHTS AND CONFIDENTIALITY AGREEMENT

Execution Version

EMPLOYEE PROPRIETARY RIGHTS
AND CONFIDENTIALITY AGREEMENT

This Agreement, made the 28th day of October, 2015, is between JACOBY & CO., INC. ("Company") and ADAM SCHOENFELD ("Employee").

WHEREAS, subject to Employee's agreement to, and compliance with, this Agreement Company has agreed to employ Employee, and Employee has agreed to be employed by Company; and

WHEREAS, Company and Employee each acknowledge and agree that, as part of Employee's job duties, Employee will from time-to-time have access to Confidential Information as more specifically defined below and may from time-to-time conceive of, author, or otherwise create or assist in the conception, authorship or development of certain Inventions and Works of Authorship as more specifically defined below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company and Employee agree as follows:

1. Intellectual Property.

   a. Ownership and Works Made For Hire. Employee hereby agrees that Company shall be the sole and exclusive owner of any and all ideas, inventions, discoveries, computer hardware and software, algorithms, improvements and devices relating thereto, and other information and know-how heretofore or hereinafter conceived, developed or made by Employee on behalf of or for the benefit of Company, either alone or with others, during the course of Employee's employment by Company, or which are conceived, developed or made using Company equipment or resources, or by reason of knowledge gained from such employment (hereinafter "Inventions"), together with any graphic designs, narrative works, business plans, financial analyses, lab notes, designs, specifications, programming, source code, object code, flow charts, data, compilations of data and other information and works of authorship of any nature compiled, authored or otherwise developed by Employee and relating to such Inventions or otherwise created during the course of Employee's employment with Company or using Company equipment or resources on behalf of or for the benefit of Company (the "Works of Authorship") and all trademark, copyright, trade secret, patent and other intellectual and industrial property rights of whatever nature throughout the world covering or embodied by such Inventions and Works of Authorship, that the Works of Authorship constitute "works made for hire" (as that term is defined in the United States Copyright Act as amended) by Employee because they have either been prepared by Employee while acting within the scope of Employee's employment with Company or they have been specifically ordered or commissioned from Employee for use by Company and that, as such, Company is the author and owner of such Works of Authorship.

b. Assignment. Employee hereby acknowledges and agrees that, to the extent any Inventions or Works of Authorship are not, for whatever reason, deemed to be "works made for hire" or otherwise solely and exclusively owned by Company, Employee hereby grants, transfers, conveys and assigns to Company and its successors and assigns all of Employee's right, title, interest, ownership and all subsidiary rights in and to such Inventions and Works of Authorship and all trademark, trade secret, copyright, patent and other intellectual and industrial property rights of whatever nature throughout the world covering or embodied by such Inventions and Works of Authorship, including the right to apply for, register, obtain, maintain, enforce and defend the foregoing in any jurisdiction throughout the world.

c. Disclosure. Employee hereby agrees to keep and maintain current and complete records of, and to disclose promptly and in writing to Company, all Inventions and Works of Authorship to which Company is or may arguably be entitled as provided above, and agrees not to (i) disclose such Inventions and Works of Authorship to others, except as required in accordance with Employee's duties as an employee of Company, or (ii) move copies of such written records to, or keep copies of such records at, locations other than Company's premises, in either case without the express prior written consent of Company.

d. Continuing Assistance. Employee hereby further agrees that during the term of Employee's employment with Company and at any time thereafter, Employee shall execute and deliver to Company any written documents necessary or appropriate, in Company's sole discretion, to effectuate the assignment to Company of any and all rights in such Inventions and Works of Authorship to which Company is entitled as provided above, and will execute all papers and perform any other lawful acts requested by Company for the preparation, prosecution, procurement, maintenance, enforcement and defense of any trademark, trade secret, copyright, patent and/or other intellectual or industrial property rights in and for such Inventions and Works of Authorship throughout the world, and will execute all documents and perform any other lawful act necessary to vest title in Company to such Inventions and Works of Authorship and all trademarks, trade secrets, copyrights, patents and other intellectual and industrial property rights relating thereto. To the extent that, for any reason or no reason, including without limitation Employee's physical or mental incapacity, Employee fails to comply with Employee's obligations described above in this paragraph 1(d), Employee hereby appoints Company as Employee's agent and attorney in fact, and grants to Company a power-of-attorney with full power of substitution, to execute, deliver and file any documents, and perform any acts, Employee would otherwise lawfully be obligated to execute, deliver, file or perform pursuant to this paragraph 1(d), with the same legal force and effect as if executed, delivered, filed or performed by Employee. Such power of attorney shall be deemed coupled with an interest for the purposes of effecting the foregoing assignments, prosecutions, procurement, maintenance, enforcement and defense.

e. Pre-existing Rights. In the event that Employee uses or incorporates into any Inventions, Works of Authorship or other work product of Employee created in the course of Employee's employment with Company any (i) ideas, inventions, discoveries, computer hardware and software, algorithms, improvements and devices relating thereto conceived, developed or made by Employee prior to, or outside the scope of, Employee's employment with Company, or (ii) any graphic designs, narrative works, business plans, financial analyses, lab notes, designs, specifications, programming, source code, object code, flow charts, data, compilations of data and other information compiled, authored, developed or otherwise created by Employee prior to, or outside the scope of, Employee's employment with Company (collectively, the "Pre-existing Inventions and Works"), then Employee shall be deemed to have granted to Company a perpetual, irrevocable, fully-paid, royalty-free, non-exclusive, transferable, assignable, sublicenseable right, under any and all trademarks, trade secrets, copyrights, patents and other intellectual and industrial property rights of whatever nature throughout the world covering or embodied by the Pre-existing Inventions and Works, to make, have made, use, copy, distribute, display, perform, modify, translate, offer to sell, sell, and otherwise transfer or dispose of the Preexisting Inventions and Works and any products and services embodying or covered by such trademarks, trade secrets, copyrights, patents and other intellectual and industrial property rights. Employee covenants and agrees that it shall notify Company in writing of all Pre-existing Inventions and Works prior to incorporating the same into any Inventions, Works of Authorship or other work product created in the course of Employee's employment with Company.

f. Moral Rights Waiver. Employee hereby releases, waives and assigns in favor of Company any and all "moral" rights related to the Works of Authorship, including without limitation: the right of paternity (i.e., acknowledgment of authorship), disclosure, withdrawal and integrity (i.e., right to prevent changes to the work).

2. Confidentiality and Non-disparagement.

a. Non-Disclosure. For so long as Employee is employed by Company and thereafter for so long as the Confidential Information (as hereinafter defined) has not otherwise been publicly disclosed by Company, Employee hereby expressly agrees that (i) Employee shall not divulge, directly or indirectly, other than in the regular and proper course of business of Company, any Confidential Information, and (ii) Employee shall not use, directly or indirectly, any Confidential Information for the benefit of anyone other than Company; provided, however, that Employee shall have no obligation, express or implied, to refrain from using or disclosing to others any Confidential Information which is or hereafter shall become generally available to the public other than through Employee's breach of this Agreement. Notwithstanding anything to the contrary in this Agreement, (i) in the event that Employee is required by law, regulation, legal or regulatory process, court order, or other governmental requirement (each a "Governmental Requirement") to disclose any Confidential Information, Employee shall, to the extent permitted by law, provide Company with notice of any such request or requirement so that Company may seek a protective order or other appropriate remedy (and Employee will reasonably cooperate with Company in such efforts, at Company's request) or waive compliance with the provisions of this Agreement and (ii) if, in the absence of a protective order or other remedy or the receipt of a waiver from Company, Employee is advised by legal counsel that it is nonetheless required to disclose Confidential Information, Employee may, without liability under this Agreement, disclose only that portion of the Confidential Information required to be so disclosed (provided that Employee will cooperate with Company, at Company's request, to obtain assurance that confidential treatment will be accorded such disclosed information). In the event Employee makes or learns of any unauthorized disclosure of Confidential Information, Employee shall promptly notify Company of such unauthorized disclosure and in good faith cooperate with Company's efforts to ameliorate the effects of, or otherwise enforce its rights in connection with, such unauthorized disclosure. Notwithstanding the foregoing, Employee may disclose Confidential Information to his attorneys, accountants or other professional advisors if such Confidential Information is necessary to address Employee's legal, tax or accounting issues (provided that any such advisor other than an attorney or accountant shall be required to be bound by nondisclosure obligations at least as restrictive as the restrictions contained in this paragraph 2(a) prior to Confidential Information being disclosed to any such advisor).

b. Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall mean any information, whether oral or written and whether in a tangible or intangible form, not generally known in the relevant trade or industry (i.e. any trade or industry in which Company engages or is then engaged) or otherwise not generally available to the public, which was obtained from or disclosed to Employee by Company, its affiliates or their predecessors or which was learned, discovered, developed, conceived, originated or prepared by Employee in the course of Employee's employment with Company, including, without limitation, Inventions, Works of Authorship, and any other product, service, marketing, operating and financial information, computer software, source code, object codes, and flow charts proprietary to Company.

c. Possession. All Confidential Information in Employee's possession at any time shall be the exclusive property of Company, shall not be copied, summarized, extracted from, or removed from the premises of Company, except in pursuit of the business of Company and at the direction of Company, and shall be delivered to Company, without Employee retaining any copies, upon the termination of Employee's employment with Company or at any earlier time as requested by Company.

d. Prior Obligations. Employee warrants that the performance of its duties and obligations under this Agreement will not constitute a breach or default under any other agreement to which Employee is bound, that it is not bound by any pre-existing (i.e., before the date of this Agreement first set forth above) obligation of confidentiality or duty to assign rights in any Inventions or Works of Authorship (whether written, oral or otherwise) to any other person or entity that may foreseeably interfere with or conflict with Employee's job duties or compliance with this Agreement, nor is there any pending or threatened proceeding, investigation or action alleging (or to Employee's knowledge any basis for such a proceeding, investigation or action) that Employee is bound by any such obligation or duty. Employee covenants and agrees that, for so long as Employee is employed by Company, Employee shall (i) comply with any pre-existing confidentiality obligations, (ii) in the event Employee's job duties with Company may in the future potentially conflict with such obligations, inform Company of such conflict and refrain from making any disclosures or otherwise taking any action that violate Employee's pre-existing confidentiality obligations, (iii) at all times in good faith work with Company to determine a course of action which will allow Employee to perform Employee' job duties without violating any pre-existing confidentiality obligations, and (iv) not hereafter enter into any agreement with any other person or entity that imposes upon Employee obligations of confidentiality that conflict with, or may foreseeably conflict with, the proper performance of Employee's job duties with Company. Employee hereby consents to Company notifying any subsequent employers of Employee that Employee is bound by obligations of confidentiality as set forth in this Agreement.

e. Non-disparagement. Employee covenants and agrees that, for so long as Employee is employed by Company and for five (5) years thereafter, Employee shall not make, publish or otherwise disseminate disparaging or derogatory statements or allegations, whether written, oral or otherwise, regarding Company or its affiliates, or any officers, directors, employees, products, services, policies or operations of Company or its affiliates. The provisions of this paragraph 2(e) in no way restrict or prohibit Employee from providing truthful testimony when such testimony is lawfully compelled pursuant to any court order or other legal process.

3. Non-Competition; Non-Solicitation.

For so long as Employee is employed by Company or Employee or any of Employee's Permitted Transferees (as such term is defined in the Amended and Restated Shareholder Agreement of Company, dated as of October 28, 2015 (the "Shareholder Agreement")) own any Securities of Company and for a period of twenty-four (24) months beginning on the later of (a) the date of Employee's termination of employment with Company and (b) the date that Employee or any of Employee's Permitted Transferees no longer owns any Securities of Company, Employee shall not: (i) other than as requested in writing by and on behalf of Company and/or its subsidiaries, directly or indirectly through an affiliate or any other person, as an employee, agent, consultant, advisor, independent contractor, general partner, officer, director, stockholder, member, proprietor, investor, joint venture, lender or guarantor of any person, or in any other capacity, anywhere in the world (the "Restricted Territory") either directly or indirectly participate or engage in, or manage, advise, direct, rend services to or lend credit to persons participating or engaged in the Business (as such term is defined in the Shareholder Agreement) in the Restricted Territory (provided, however, that, notwithstanding anything to the contrary in this paragraph 3, the passive investment by Employee and Employee's affiliates in less than five percent (5%), in the aggregate, of the outstanding publicly traded securities (in the aggregate) of any company engaged in the Business shall not, in and of itself, constitute a violation of this paragraph 3); or (ii) without the prior written consent of Company, directly or indirectly through an affiliate or any other person (and shall not assist or encourage others to), directly or indirectly, solicit to hire or hire (or cause or seek to cause to leave the employ of Company or any subsidiary or affiliate), any employee of Company or any subsidiary or affiliates or any person who has left the employ of Company during the six months immediately preceding such solicitation or hiring, except pursuant to a general solicitation that is not directed specifically to any employees or independent contractors of Company, any of Company's subsidiaries or any of their respective affiliates. "Securities" shall mean, at any time, without duplication, shares of the common stock, no par value per share, of Company (the "Common Stock"), shares of preferred stock, warrants, options, convertible securities or indebtedness, exchangeable securities or indebtedness, subscription rights or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, the Common Stock or other equity of Company, whether at the time of issuance, upon the passage of time, or the occurrence of some future event.

4. No Further Consideration.

Employee acknowledges and agrees that, except as compensated in accordance with Employee's status as an employee of Company, Employee shall not be entitled to any further or additional compensation in consideration of (i) the assignment by Employee of Employee's rights in any Inventions and/or Works of Authorship as provided for above in paragraphs 1 (a) and (b), (ii) the licenses (if any) granted to Company as provided for above in paragraph 1(e), (iii) complying with the confidentiality and non-disparagement obligations set forth above in paragraph 2, and (iv) the provision of any services as provided for above in paragraph 1(d); provided, however, that Employee shall be reimbursed for actual out-of-pocket expenses incurred in rendering to Company the services specified in paragraph 1(d).

5. Term.

This Agreement shall commence and be effective as of the date of this Agreement first set forth above and shall terminate on the date Employee ceases to be an employee of Company. Notwithstanding the above, Employee's obligations arising pursuant to paragraphs 1, 2, 3 and 4 above, and paragraphs 6 and 7(c), (d), (e) and (f) below, shall survive termination of this Agreement. In addition, those rights, duties and obligations of Company and Employee set forth in this Agreement that, by their nature, are intended to survive the termination of this Agreement shall survive the termination of this Agreement.

6. Originality.

Employee hereby warrants and represents to Company that, to the best of Employee's knowledge after reasonable inquiry and except as expressly disclosed to Company in writing by Employee, all Inventions, Works of Authorship and Pre-existing Inventions and Works shall be original and shall not have been conceived, reduced to practice, authored or otherwise developed by misappropriating the trade secrets or other proprietary technology or intellectual property of any third parties. Employee hereby agrees to indemnify, defend and hold Company harmless from and against any and all third party claims, and any costs, damages and liabilities resulting therefrom, made against or imposed upon Company as a result of Employee's breach of the above representation and warranty. The foregoing representation and warranty shall be deemed first made on the date hereof and shall run continuously thereafter and apply to all Inventions, Works of Authorship and Pre-existing Inventions and Works governed by this Agreement.

7. Miscellaneous.

a. Survival, Assignability. Employee shall not assign this Agreement without the express prior written consent of Company, which consent may be withheld for any reason or no reason at Company's sole discretion. Except as otherwise provided herein, this Agreement shall be binding upon the respective heirs, successors, and permitted assigns of the parties hereto. Company shall be free to assign its rights hereunder to any other party without the consent of Employee.

b. Severability. Any provision of this Agreement which is determined to be illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof which shall be severable and enforceable according to their terms and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Notwithstanding anything to the contrary in the immediately foregoing sentence, but otherwise without limiting the generality of the immediately foregoing sentence, if, at the time of enforcement of any provision of this Agreement (including, without limitation, paragraph 3 hereof), a court of competent jurisdiction shall hold that the period or scope restrictions or any other restriction stated in this Agreement are unreasonable under circumstances then existing, the parties agree that the maximum period or scope reasonable under such circumstances shall be substituted for the stated period or scope and that the court shall be allowed and directed to revise the restrictions contained in this Agreement to cover the maximum period or scope permitted by applicable law.

c. Specific Performance and Equitable Relief. Employee acknowledges and agrees that Company would suffer irreparable harm if Company's rights in the Inventions and Works of Authorship were not protected and/or the Confidential Information was disclosed to third parties without Company's consent. Accordingly, Employee hereby consents to and agrees that, in the event of a breach or threatened breach of this Agreement by Employee, Company shall have the right to exercise any and all rights by appropriate action either by law or in equity, including specific performance of Employee's obligations arising pursuant to paragraphs 1, 2 and 3 above, and that Company shall be entitled to equitable relief, including injunctive relief, in connection with any breach or threatened breach, by Employee, of Employee's obligations arising pursuant to paragraphs 2(a), 2(c), 2(d), 2(e) and 3 above. Employee further agrees that Employee shall not request that Company post, nor shall Company be obligated to post, a bond in connection with any equitable relief authorized pursuant to this paragraph 7(c) and in fact requested by Company.

d. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida and, to the extent applicable, the laws and regulations of the United States of America governing intellectual property matters, without giving effect to the provisions, policies or principles under Florida State law respecting conflict or choice of law. EMPLOYEE ACKNOWLEDGES AND AGREES THAT, PRIOR TO EXECUTING THIS AGREEMENT, EMPLOYEE WAS AFFORDED AN OPPORTUNITY TO OBTAIN THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND HAS READ AND UNDERSTOOD ALL OF THIS AGREEMENT. ACCORDINGLY, THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION OF THIS AGREEMENT.

e. Choice of Forum. Each of the parties hereby consents to the jurisdiction of any state or federal court located within the County of Palm Beach, State of Florida, and irrevocably agrees that all actions or proceedings relating to this Agreement must be litigated in such courts, and each of the parties waives any objections which it may have based on improper venue or forum non conveniens to the conduct of any proceeding in such court.

f. Entire Agreement. This Agreement, the Shareholder Agreement and that certain Employment Agreement by and between Company and Employee, dated October 28, 2015, contain the entire understanding of the parties with respect to its subject matter, and supersedes all prior written or oral agreements and understandings between the parties with respect to its subject matter. This Agreement may not be changed orally, and any written change or amendment must be signed and accepted by Company.

g. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement (and all signatures need not appear on any one counterpart), and this Agreement shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused it to be binding and effective upon each of them in accordance with its terms.

JACOBY & CO., INC.

By: _____
Name: Aaron LoCascio
Title: Co-President

By: _____
Name: Adam Schoenfeld
Title: Co-President

EMPLOYEE

_____
Adam Schoenfeld

Exhibit 10.13

WAREHOUSE GOODS, LLC EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into by and between Warehouse Goods, LLC a Delaware Limited Liability Company, hereinafter referred to as "Warehouse Goods or "Employer" and Sasha Kadey hereinafter referred to as "Employee," on the 14th day of April, 2016.

WITNESSETH:

WHEREAS, Warehouse Goods has instituted a network of employed and contracted employees to assist in the receipt, processing, and dissemination of orders for vaporizers and associated products.

WHEREAS, Warehouse Goods' agreements with vendors authorize Warehouse Goods to sell vaporizers to customers.

WHEREAS, Warehouse Goods and Employee mutually desire to enter into an Agreement whereby Employee agrees to provide certain services to Warehouse Goods within accepted standards of care and under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1 Recitations. The aforestated recitations are true and correct and are incorporated herein by reference.

2 Definitions. Whenever used in this Agreement, the following terms shall have the definitions contained in this section.

Effective Date: means the last date specified on the signature portion of this Agreement

3 Employment. Warehouse Goods hereby employs Employee as, and in the specific capacity of Chief Marketing Officer and Employee accepts said employment upon the terms and conditions of this Agreement.

4 Employee's Duties and Responsibilities.

4.1 Employee shall be responsible for, but not limited to task and duties relating to the position of Chief Marketing Officer.

4.2 Employee shall at all times conduct himself or herself in compliance with all applicable federal, state, and local laws and their rules and regulations and in compliance with Warehouse Goods' policies and procedures, and the terms of this Agreement.

4.3 Employee will occasionally be asked to work additional hours, including but not limited to working trade shows, weekends, and mandatory meetings. No additional compensation will be provided to employee for working additional hours.

5 Employer's Responsibilities.

5.1 Administration. Warehouse Goods shall perform the appropriate administrative, regulatory, marketing, enrollment and other functions necessary for administration of the company, pursuant to applicable state and federal law. Employer shall make all employment, termination, supervision, discipline and promotion decisions concerning its employees, and will assign employees, at its discretion, to assist Employee with Employee's performance hereunder. Employer shall provide Employee such office space, facilities, and supplies as reasonably necessary, in its discretion, to permit Employee to provide the services described herein. Employee shall abide by policies and procedures established by Warehouse Goods.

5.2 Accounting. Warehouse Goods shall maintain, in accordance with generally accepted accounting principles, such financial accounting records as shall be necessary, appropriate and convenient to carry out the purposes of this Agreement. Warehouse Goods may contract with a third party to carry out any or all of these functions.

5.3 Information. Warehouse Goods shall provide the Employee with information and data reasonably necessary to carry out the terms and conditions of this Agreement.

6 Compensation & Benefits. Warehouse Goods shall provide compensation and benefits to the Employee for the continual and complete discharge of his or her duties under this Agreement as specified in attached Exhibit A.

7 Relocation Expense Reimbursements. Warehouse Goods shall provide relocation expense reimbursements under this agreement as specified in attached Exhibit B, if applicable. N/A

8 Term of Agreement/Termination.

8.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue for the period of one year thereafter. This Agreement shall automatically renew for successive one year periods, unless either party notifies the other of its desire not to renew the Agreement at least 60 days prior to the next scheduled renewal date. This Agreement may also be w terminated in accordance with any applicable provision of this Agreement.

8.2 Termination – Without Cause. Either party may terminate this Agreement at any time without cause.

8.3 Employer Right To Terminate – For Cause. Employer may terminate the Agreement for cause immediately in the event of the occurrence of any of the following events:

8.3.1 Employee violates any applicable law;

8.3.2 Employee's commission of any act or omission that, in Warehouse Goods' sole judgment, subjects Warehouse Goods to shame or ridicule, or otherwise materially diminishes the reputation and good name of Warehouse Goods;

8.3.3 Employee is in violation of or engages in conduct which in Warehouse Goods' reasonably exercised judgment, is inconsistent with Employer's policies, and procedures, business or professional interests;

8.3.4 Employee commits any act or omission that, in Warehouse Goods' reasonably exercised judgment creates a conflict of interest or places the Employee in a posture adverse to the best interests of Warehouse Goods;

8.3.5 Employee becomes unable to perform Employee's duties and obligations pursuant to this Agreement, with reasonable accommodation, for a continuous period of more than thirty (30) days or for period of sixty (60) days during any consecutive three hundred sixty-five (365) day period;

8.3.6 Death of Employee; and

8.3.7 A breach by Employee of any other term or condition of this Agreement which remains uncured for a period of ten (10) days following receipt of notification from Warehouse Goods of such breach.

8.4 Obligations upon Termination. Upon termination of this Agreement, neither party shall have any further obligation hereunder except for obligations accruing prior to the date of termination, and those obligations, promises or covenants contained herein which are expressly made to extend beyond the term of the Agreement.

8.5 Employee's Cooperation Upon Termination. Employee agrees that for the period of his employment and thereafter for a period of twenty-four (24) months, Warehouse Goods has the right to receive, open, and / or intercept all mail, and other communications (whether written, or in electronic or other form) addressed to Employee at Warehouse Goods' address or received by Warehouse Goods by means of any electronic media, and the right to take possession, for Warehouse Goods' own account, any mail or other communication provided such communication relates to Warehouse Goods' business, and Warehouse Goods shall have the further right to endorse Employee's name on financial instruments "for deposit" and to deposit for the account of Warehouse Goods any check, money order or other financial instrument payable to Employee that is received from any person as payment for product or professional or other services rendered by Warehouse Goods during the term of this Agreement.

9 Acknowledgements. Warehouse Goods is engaged in the business of providing vaporizers and related equipment to members of the public and retailers and engages in competition with other businesses that provide herbal vaporizers to members of the public and retailers. Through great time, energy and expense, Warehouse Goods has developed expertise, programs, systems, methods, practices, and other information as well as contractual and business relationships with vendors and others that enable Warehouse Goods to compete in the industry. Employee acknowledges that:

9.1 Warehouse Goods' business is highly specialized;

9.2 The expertise, programs, systems, methods, practices, and other information developed, used and maintained by Warehouse Goods are not generally known by competitors in the industry;

9.3 Warehouse Goods has a proprietary interest in its programs, systems, methods, practices, and other information developed and maintained by Warehouse Goods;

9.4 Documents and other information regarding Warehouse Goods' business methods, relationships, strategies, costs, programs, systems, methods, practices, and other information developed, used and maintained by Warehouse Goods are highly confidential and constitute trade secrets; and

9.5 Disclosure of Warehouse Goods' confidential and trade secret information would irreparably harm Warehouse Goods and give unfair advantage to any other person competing with Warehouse Goods in the industry.

10 Intellectual Property and Confidential Information. In order to induce Company to hire and to thereafter continue to employ Employee, Employee and Company have entered into a Proprietary Rights and Confidentiality Agreement.

11 Restrictive Covenant. During the term of this Agreement, and for a period of eighteen (18) months after this Agreement has been terminated for any reason, regardless of whether the, termination is initiated by Warehouse Goods or Employee, Employee will not without written consent from Warehouse Goods directly or indirectly, on behalf of himself or herself or on behalf of any other person, firm, company, partnership or business entity:

11.1 solicit any business from any person who is or was a customer or supplier of Warehouse Goods during a period of five (5) years prior to the termination of Employee's employment;

11.2 recruit or solicit any employee of Warehouse Goods, or person who was employed by Warehouse Goods during a period of one (1) year prior to the termination of Employee's employment, for employment with any other organization which engages directly or indirectly in the business of providing vaporizers and related goods to members of the public;

11.3 own, manage, operate, control, be employed by, participate in, or be connected in any manner whatsoever with the ownership, — management, operation, or control of any business engaged in the vaporizer industry or any other business similar to the type of business conducted by Warehouse Goods.

12 Injunction For Breach. In the event of a breach or threatened breach by Employee of any of the promises contained in this Agreement, Employee acknowledges that Warehouse Goods' remedy at law for damages will be inadequate and that Warehouse Goods will be entitled to an injunction, without the requirement of an injunction bond, to prevent and enjoin Employee from breaching or threatening to breach any of the provisions contained herein. Warehouse Goods' application to a court of law for an injunction under this paragraph will not constitute a waiver by Warehouse Goods or in any way limit or prohibit Warehouse Goods from pursuing any other remedies available to it in law or equity. Employee further agrees that:

12.1 the obligations of paragraphs 10 and 11 of this Agreement are independent of any other obligations of Warehouse Goods, and the existence of any claim or cause of action of the Employee against Warehouse Goods, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement by Warehouse Goods of the provisions of paragraphs 10 and 11;

12.2 the restrictive covenant provisions of this Agreement are reasonable and necessary to protect Warehouse Goods' legitimate business interests, including but not limited to the protection of Warehouse Goods' trade secrets and confidential information, relationships with existing and prospective customers and other business relationships, goodwill, and Warehouse Goods' investment in training Employee;

12.3 if any portion of the restrictive covenants of this Agreement are held by a court to be unreasonable, arbitrary, or against public policy for any reason, the restrictive covenant shall be enforced as to a lesser scope, time or geographic area, to the fullest extent possible such that the provision shall not be considered. unreasonable or unenforceable;

12.4 if proceedings have to be brought by Warehouse Goods against Employee to enforce the restrictive covenant provisions of this Agreement, the period of restriction shall be deemed to begin to run on the date of entry of an order granting Warehouse Goods injunctive relief, and shall continue uninterrupted for the next succeeding twelve (12) months.

13 Dispute Resolution. In the event of any dispute or claim regarding this Agreement or any part thereof, the parties agree to submit such dispute or claim to binding arbitration. A single arbitrator shall be chosen by mutual agreement between the parties and their respective counsel, who shall render an award within 30 days of the arbitration hearing. The venue for any such arbitration shall be Palm Beach County, Florida. The determination or award rendered therein shall be binding and conclusive upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction over the parties. The prevailing party in any such arbitration proceeding shall recover from the other party his/her/its attorneys fees and costs, which amounts shall be determined by the arbitrator. This paragraph will not be deemed a waiver of Warehouse Goods' right to injunctive relief as provided for in this Agreement.

14 Representation. The Employee hereby represents and warrants to Warehouse Goods that: (a) this Agreement constitutes the legal, valid and binding obligation to the Employee, enforceable against the Employee in accordance with its terms; (b) the execution, delivery and performance of this Agreement has been duly authorized by all required action of the Employee and (c) such execution, delivery and performance does not violate any provisions of any agreement to which the Employee is a party, or any laws or regulations applicable to the Employee.

15 Indemnification. Employee shall indemnify and hold harmless, to the fullest extent permitted by law, Warehouse Goods, its officers, directors, and shareholders with regard to any threatened, pending or contemplated claim, action, suit, or other type of proceeding, or any final judgment, assessment, fine, or penalty, including, without limitation: (a) any obligations to repay any sums previously paid, directly or indirectly, to Warehouse Goods with respect to services rendered by Employee on behalf of Warehouse Goods if such overpayment results from or is based on Employee: (i) the Internal Revenue Service upon audit or examination determine that business deductions to Employee are disallowed as ineligible business deductions to Warehouse Goods; (ii) professional or general liability claims or judgments are asserted against Warehouse Goods with respect to acts or omissions of Employee which exceed applicable insurance proceeds or which are determined to be non-covered by insurance; and (iii) any breach by Employee of any of the representations and warranties of Employee contained herein.

16 No Ownership Interest. During the term of this Agreement, Employee shall not be required to contribute any money towards Warehouse Goods' equipment or operations, but likewise Employee will have no financial interest in the accounts receivable, furniture, equipment, leasehold improvements, property, assets, goodwill or the like of Warehouse Goods unless otherwise stated in Exhibit A.

17 Reporting Legal Actions.

17.1 Summons or Complaint. Employee will notify Warehouse Goods in writing within five (5) working days of being served with a summons, complaint, written claim, or other document alleging negligence or other injury, whether before or during employment by Warehouse Goods.

17.2 Occurrence or Event. Employee will orally notify Warehouse Goods within five (5) working days of any event which raises a reasonable probability that it will result in a legal claim or action against Employee relating to his/her employment duties.

17.3 Arrest, Indictment or Conviction. Employee will orally notify Warehouse Goods immediately, and in writing within five (5) days, of any arrest, indictment or conviction for other than a misdemeanor motor vehicle license infraction.

17.4 Cooperation in Dispute Resolution. Employee recognizes that certain disputes may arise between Warehouse Goods and third parties, the resolution of which may require the cooperation of Employee, including, but not limited to, Employee's providing factual information and giving depositions and testimony in judicial and administrative proceedings. Employee shall, during the term hereof and at all times after termination for a period of five (5) years, cooperate with Warehouse Goods to allow it to advance its position with respect to such disputes. Warehouse Goods shall provide reasonable compensation to employee and reimburse Employee for all out-of-pocket expenses incurred in connection with such cooperation, provided that Employee obtains Warehouse Goods' agreement in advance for such expenses and provides Warehouse Goods with an itemized written account of such reimbursable expenses. The temis and conditions of this Paragraph shall survive termination of this Agreement.

18 Miscellaneous.

18.1 Applicable law. This Agreement, and the rights and obligations of the parties herein, shall be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of Florida, without reference to conflicts of laws principles as applied in that State. Subject to the arbitration provisions of Section 13 above, the parties each consent to the exclusive jurisdiction of any state or federal court located in the County of Palm Beach, State of Florida in all actions or proceedings relating to this Agreement.

18.2 Confidentiality. The parties hereto agree that each shall hold this Agreement and the information contained in this Agreement as confidential and shall not disclose this Agreement or any of its terms or information contained in this Agreement to any non party, except as necessary to carry out the terms herein or as required by state or federal law.

18.3 Heading and captions. Headings and captions used in this Agreement are for convenience only and should not be considered in interpreting the provisions hereof.

18.4 Federal and state law regulations. This Agreement, and the performance thereof, is subject to the requirements of all applicable state and federal laws. Provisions required thereby to be in this Agreement shall be incorporated herein by this reference and shall bind the parties to this Agreement whether or not specifically provided herein.

18.5 Modification. This Agreement, and the attachments hereto, constitute the entire understanding of the parties hereto and no changes, amendments or alterations shall be effective unless in writing and signed by both parties.

18.6 Enforceability. The invalidity or un-enforceability of any terms or conditions hereof shall in no way affect the validity or enforceability of any other term or provision.

18.7 Notice. Any notice required to be given under this Agreement shall be in writing and shall be delivered by certified mail, return receipt requested, to the Employee's last known residence or to Warehouse Goods, Inc., Attention Aaron LoCascio, Boca Raton, Florida.

18.8 Complete Agreement. This Agreement, together with the Proprietary Rights and Confidentiality Agreement entered into by the parties contemporaneously herewith, constitute the entire understanding of the parties in respect of its subject matter, and supersedes all prior oral agreements and understandings between the parties with respect to its subject matter.

18.9 Waiver. No waiver of any default in the performance of any of the duties or obligations arising under this Agreement shall be valid unless in writing and signed by the waiving party. Waiver of any one default shall not constitute or be construed as creating a waiver of any other default or defaults. No course of dealing between the parties shall operate as a waiver or preclude the exercise of any rights or remedies under this Agreement. Failure on the part of either party to object to any act or failure to act of the other party, or to declare the other party in default, regardless of the extent of such default, shall not constitute a waiver by such party of its rights hereunder.

/s/ Aaron LoCascio
Aaron LoCascio, CEO
Warehouse Goods, LLC.

Date 4/15/16

/s/ Sasha Kadey
Sasha Kadey

Date 4/14/16

EXHIBIT A

Compensation. Warehouse Goods shall pay, to or for the benefit of Employee as compensation ("Salary") in the amount of $9,166.67 semi-monthly ($220,000.00 per year), along with a 10% discretionary annual bonus. Warehouse Goods shall withhold from each compensation payment made to Employee the required withholding and other employment-related taxes, as well as any benefits to which Employee makes a contribution, and any personal expenses incurred by Employee, the payment for which was advanced by Warehouse Goods.

Profit Interest. Employee will also receive 2.0% profit interest in the company with a four-year vesting period according to the terms and conditions upon the formation of the Warehouse Goods' Profit Interest Program. The profit interest distributed to Employee shall include the following stipulations:

1. The profit interest will provide Employee with an entitlement to a percentage of the net proceeds paid to the Members of Jacoby Holdings LLC on a Change in Control (as defined below) , which percentage will be based upon the appreciation in the equity value of Jacoby Holdings LLC from the original grant date to the Change in Control event.
2. As of the grant date, the 2.0% profits interest is completely unvested. The 2.0% profits interest will vest 25% per year for each year, beginning on the earlier of (I) the first anniversary of the grant date, or (ii) July 1, 2017 (such date, as applicable, the "Initial Vesting Date"), and continuing to vest on each anniversary of the Initial Vesting Date thereafter until the fourth anniversary of the Initial Vesting Date, provided that Employee is still working full-time at Warehouse Goods.
3. Upon a Change in Control (as defined below) of Jacoby Holdings LLC, the Employee's unvested profit interest shall immediately vest fully, provided that Employee is still working full-time at Warehouse Goods.
4. If the Employee's employment at Warehouse Good is terminated for any reason, other than termination by Warehouse Good for Cause (as defined below), then Employee will be entitled to keep the vested portion of his profit interest.

Profits Interest Definitions.
For purposes of this Exhibit A:

"Change in Control" means "one or a series of related transactions pursuant to which: (i) an unrelated third party acquires all or substantially all of the assets of the Company (other than in connection with financing transactions, sale and leaseback transactions or other similar transactions), or (ii) an unrelated third party acquires more than 50% of the membership interests of the Company, provided that in the event of a series of related transactions, the Change in Control shall occur upon the closing of the final transaction."

"Cause" means "(i) breach of any provision of this Agreement; (ii) the Employee's indictment for a felony or being charged with a crime of moral turpitude; (iii) commission by the Employee of an act or fraud, embezzlement, misappropriation, theft or breach of fiduciary duty; or (iv) the Employee's engagement in conduct which, in the Company's reasonable judgment, is detrimental to the Company's business, goodwill or good name. Notwithstanding the foregoing, a termination by the Company for Cause pursuant to clause (i), and/or (iv) above shall be effective only if, within ten (10) days following delivery of a written notice by the Company to the Employee specifying the circumstances giving rise to Cause, and the Employee has failed to cure the circumstances giving rise to Cause to the Company's reasonable satisfaction

Temporary Housing Allowance. After Employee works thirty (30), sixty (60), and ninety (90) days each, he will receive $1,500 ($4,500 total) to partially reimburse him for some of the costs associated with relocating to the Boca Raton area to work for Warehouse Goods.

Reviews and Probation Period. Employee will be under a sixty (60) day introductory period, after which Employee will have an evaluation to review performance and goals.

Payroll Schedule. All employees are paid semi-monthly on the 5th and the 20th for the corresponding previous work period. In the event that a regularly scheduled payday falls on a weekend or holiday, you will be paid on the last day of work before the scheduled payday.

Benefits. Employee will receive benefits based on employment status in accordance with requirements as stated in the company's summary of benefits.

In addition the Employee will also receive:

17 PTO Days upon Hire
$500.00 Monthly Car Allowance

Employee agrees to keep the terms of this Agreement confidential, and shall not disclose any of the terms and conditions of this Agreement to third parties or otherwise make the terms and conditions of this Agreement public except pursuant to the order of a court of competent jurisdiction or in connection with legal proceedings to enforce the terms and conditions of this Agreement. Employee acknowledges that Employee's breach of this provision is grounds for immediate termination, and further acknowledges that such a breach would cause Warehouse Goods irreparable harm for which monetary compensation alone would be an inadequate remedy. Accordingly, without limiting any other remedies available to Warehouse Goods in connection with a breach or threatened breach of this provision, Warehouse Goods shall be entitled to injunctive relief if Employee breaches or threatens to breach this provision.

/s/ Aaron LoCascio
Aaron LoCascio, CEO
Warehouse Goods, LLC

Date 4/15/16

/s/ Sasha Kadey
Sasha Kadey

Date 4/14/16

Exhibit 10.14

WAREHOUSE GOODS, INC. EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into by and between Warehouse Goods, Inc., a Florida corporation, hereinafter referred to as "Warehouse Goods" or "Employer" and Jay Scheiner hereinafter referred to as "Employee," on the 13 day of April, 2015.

WITNESSETH:

WHEREAS, Warehouse Goods has instituted a network of employed and contracted employees to assist in the receipt, processing, and dissemination of orders for vaporizers and associated products.

WHEREAS, Warehouse Goods' agreements with vendors authorize Warehouse Goods to sell vaporizers to customers.

WHEREAS, Warehouse Goods and Employee mutually desire to enter into an Agreement whereby Employee agrees to provide certain services to Warehouse Goods within accepted standards of care and under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1 Recitations. The aforestated recitations are true and correct and are incorporated herein by reference.

2 Definitions. Whenever used in this Agreement, the following terms shall have the definitions contained in this section.

Effective Date: means the last date specified on the signature portion of this Agreement.

3 Employment. Warehouse Goods hereby employs Employee as, and in the specific capacity of, Chief Operating Officer and Employee accepts said employment upon the terms and conditions of this Agreement.

4 Employee's Duties and Responsibilities.

4.1 Employee shall be responsible for, but not limited to task and duties relating to the position of Chief Operating Officer.

4.2 Employee shall at all times conduct himself or herself in compliance with all applicable federal, state, and local laws and their rules and regulations and in compliance with Warehouse Goods' policies and procedures, and the terms of this Agreement.

4.3 Employee will occasionally be asked to work additional hours, including but not limited to working trade shows, weekends, and mandatory meetings. No additional compensation will be provided to employee for working additional hours.

5 *Employer's Responsibilities.*

5.1 Administration. Warehouse Goods shall perform the appropriate administrative, regulatory, marketing, enrollment and other functions necessary for administration of the company, pursuant to applicable state and federal law. Employer shall make all employment, termination, supervision, discipline and promotion decisions concerning its employees, and will assign employees, at its discretion, to assist Employee with Employee's performance hereunder. Employer shall provide Employee such office space, facilities, and supplies as reasonably necessary, in its discretion, to permit Employee to provide the services described herein. Employee shall abide by policies and procedures established by Warehouse Goods.

5.2 Accounting. Warehouse Goods shall maintain, in accordance with generally accepted accounting principles, such financial accounting records as shall be necessary, appropriate and convenient to carry out the purposes of this Agreement. Warehouse Goods may contract with a third party to carry out any or all of these functions.

5.3 Information. Warehouse Goods shall provide the Employee with information and data reasonably necessary to carry out the terms and conditions of this Agreement.

6 Compensation & Benefits. Warehouse Goods shall provide compensation and benefits to the Employee for the continual and complete discharge of his or her duties under this Agreement as specified in attached Exhibit A.

7 *Relocation Expense Reimbursements.* Warehouse Goods shall provide relocation expense reimbursements under this agreement as specified in attached Exhibit B, if applicable. N/A

8 Term of Agreement/Termination.

8.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue for the period of one year thereafter. This Agreement shall automatically renew for successive one year periods, unless either party notifies the other of its desire not to renew the Agreement at least 60 days prior to the next scheduled renewal date. This Agreement may also be terminated in accordance with any applicable provision of this Agreement.

8.2 Termination – Without Cause . Either party may terminate this Agreement at any time without cause. Should Employee be terminated without cause the Employer will provide the Employee with six (6) months of salary continuance with benefits in force excluding the monthly car and cell phone allowances.

8.3 Employer Right To Terminate – For Cause. Employer may terminate the Agreement for cause immediately in the event of the occurrence of any of the following events:

8.3.1 Employee violates any applicable law;

8.3.2 Employee's commission of any act or omission that, in Warehouse Goods' sole judgment, subjects Warehouse Goods to shame or ridicule, or otherwise materially diminishes the reputation and good name of Warehouse Goods;

8.3.3 Employee is in violation of or engages in conduct which in Warehouse Goods' reasonably exercised judgment, is inconsistent with Employer's policies, and procedures, business or professional interests;

8.3.4 Employee commits any act or omission that, in Warehouse Goods' reasonably exercised judgment creates a conflict of interest or places the Employee in a posture adverse to the best interests of Warehouse Goods;

8.3.5 Employee becomes unable to perform Employee's duties and obligations pursuant to this Agreement, with reasonable accommodation, for a continuous period of more than thirty (30) days or for period of sixty (60) days during any consecutive three hundred sixty-five (365) day period;

8.3.6 Death of Employee; and

8.3.7 A breach by Employee of any other term or condition of this Agreement which remains uncured for a period of ten business (10) days following receipt of notification from Warehouse Goods of such breach.

8.4 Obligations upon Termination. Upon termination of this Agreement, neither party shall have any further obligation hereunder except for obligations accruing prior to the date of termination, and those obligations, promises or covenants contained herein which are expressly made to extend beyond the term of the Agreement. Such as in 8.2.

8.5 Employee's Cooperation Upon Termination. Employee agrees that for the period of his employment and thereafter for a period of twenty-four (24) months, Warehouse Goods has the right to receive, open, and / or intercept all mail, and other communications (whether written, or in electronic or other form) addressed to Employee at Warehouse Goods' address or received by Warehouse Goods by means of any electronic media, and the right to take possession, for Warehouse Goods' own account, any mail or other communication provided such communication relates to Warehouse Goods' business, and Warehouse Goods shall have the further right to endorse Employee's name on financial instruments "for deposit" and to deposit for the account of Warehouse Goods any check, money order or other financial instrument payable to Employee that is received from any person as payment for product or professional or other services rendered by Warehouse Goods during the term of this Agreement.

9 Acknowledgements. Warehouse Goods is engaged in the business of providing vaporizers and related equipment to members of the public and retailers and engages in competition with other businesses that provide herbal vaporizers to members of the public and retailers. Through great time, energy and expense, Warehouse Goods has developed expertise, programs, systems, methods, practices, and other information as well as contractual and business relationships with vendors and others that enable Warehouse Goods to compete in the industry. Employee acknowledges that:

9.1 Warehouse Goods' business is highly specialized;

9.2 The expertise, programs, systems, methods, practices, and other information developed, used and maintained by Warehouse Goods are not generally known by competitors in the industry;

9.3 Warehouse Goods has a proprietary interest in its programs, systems, methods, practices, and other information developed and maintained by Warehouse Goods;

9.4 Documents and other information regarding Warehouse Goods' business methods, relationships, strategies, costs, programs, systems, methods, practices, and other information developed, used and maintained by Warehouse Goods are highly confidential and constitute trade secrets; and

9.5 Disclosure of Warehouse Goods' confidential and trade secret information would irreparably harm Warehouse Goods and give unfair advantage to any other person competing with Warehouse Goods in the industry.

10 Intellectual Property and Confidential Information. In order to induce Company to hire and to thereafter continue to employ Employee, Employee and Company have entered into a Confidentiality, Non-Disclosure, and Non-Solicitation Agreement signed and dated as of February 6, 2015.

11 Restrictive Covenant. During the term of this Agreement, and for a period of eighteen (18) months after this Agreement has been terminated for any reason, regardless of whether the termination is initiated by Warehouse Goods or Employee, Employee will not without written consent from Warehouse Goods directly or indirectly, on behalf of himself or herself or on behalf of any other person, firm, company, partnership or business entity:

11.1 solicit any business from any person who is or was a customer or supplier of Warehouse Goods during a period of five (5) years prior to the termination of Employee's employment;

11.2 recruit or solicit any employee of Warehouse Goods, or person who was employed by Warehouse Goods during a period of one (1) year prior to the termination of Employee's employment, for employment with any other organization which engages directly or indirectly in the business of providing vaporizers and related goods to members of the public;

11.3 own, manage, operate, control, be employed by, participate in, or be connected in any manner whatsoever with the ownership, management, operation, or control of any business engaged in the vaporizer industry or any other business similar to the type of business conducted by Warehouse Goods.

12 Injunction For Breach. In the event of a breach or threatened breach by Employee of any of the promises contained in this Agreement, Employee acknowledges that Warehouse Goods' remedy at law for damages will be inadequate and that Warehouse Goods will be entitled to an injunction, without the requirement of an injunction bond, to prevent and enjoin Employee from breaching or threatening to breach any of the provisions contained herein. Warehouse Goods' application to a court of law for an injunction under this paragraph will not constitute a waiver by Warehouse Goods or in any way limit or prohibit Warehouse Goods from pursuing any other remedies available to it in law or equity. Employee further agrees that:

12.1 the obligations of paragraphs 10 and 11 of this Agreement are independent of any other obligations of Warehouse Goods, and the existence of any claim or cause of action of the Employee against Warehouse Goods, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement by Warehouse Goods of the provisions of paragraphs 10 and 11;

12.2 the restrictive covenant provisions of this Agreement are reasonable and necessary to protect Warehouse Goods' legitimate business interests, including but not limited to the protection of Warehouse Goods' trade secrets and confidential information, relationships with existing and prospective customers and other business relationships, goodwill, and Warehouse Goods' investment in training Employee;

12.3 if any portion of the restrictive covenants of this Agreement are held by a court to be unreasonable, arbitrary, or against public policy for any reason, the restrictive covenant shall be enforced as to a lesser scope, time or geographic area, to the fullest extent possible such that the provision shall not be considered unreasonable or unenforceable;

12.4 if proceedings have to be brought by Warehouse Goods against Employee to enforce the restrictive covenant provisions of this Agreement, the period of restriction shall be deemed to begin to run on the date of entry of an order granting Warehouse Goods injunctive relief, and shall continue uninterrupted for the next succeeding twelve (12) months.

13 Dispute Resolution. In the event of any dispute or claim regarding this Agreement or any part thereof, the parties agree to submit such dispute or claim to binding arbitration. A single arbitrator shall be chosen by mutual agreement between the parties and their respective counsel, who shall render an award within 30 days of the arbitration hearing. The venue for any such arbitration shall be Palm Beach County, Florida. The determination or award rendered therein shall be binding and conclusive upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction over the parties. The prevailing party in any such arbitration proceeding shall recover from the other party his/her/its attorneys fees and costs, which amounts shall be determined by the arbitrator. This paragraph will not be deemed a waiver of Warehouse Goods' right to injunctive relief as provided for in this Agreement.

14 Representation. The Employee hereby represents and warrants to Warehouse Goods that: (a) this Agreement constitutes the legal, valid and binding obligation to the Employee, enforceable against the Employee in accordance with its terms; (b) the execution, delivery and performance of this Agreement has been duly authorized by all required action of the Employee and (c) such execution, delivery and performance does not violate any provisions of any agreement to which the Employee is a party, or any laws or regulations applicable to the Employee.

15 Indemnification. Employee shall indemnify and hold harmless, to the fullest extent permitted by law, Warehouse Goods, its officers, directors, and shareholders with regard to any threatened, pending or contemplated claim, action, suit, or other type of proceeding, or any final judgment, assessment, fine, or penalty, including, without limitation: (a) any obligations to repay any sums previously paid, directly or indirectly, to Warehouse Goods with respect to services rendered by Employee on behalf of Warehouse Goods if such overpayment results from or is based on Employee: (i) the Internal Revenue Service upon audit or examination determine that business deductions to Employee are disallowed as ineligible business deductions to Warehouse Goods; (ii) professional or general liability claims or judgments are asserted against Warehouse Goods with respect to acts or omissions of Employee which exceed applicable insurance proceeds or which are determined to be non-covered by insurance; and (iii) any breach by Employee of any of the representations and warranties of Employee contained herein.

16 No Ownership Interest. During the term of this Agreement, Employee shall not be required to contribute any money towards Warehouse Goods' equipment or operations, but likewise Employee will have no financial interest in the accounts receivable, furniture, equipment, leasehold improvements, property, assets, goodwill or the like of Warehouse Goods.

17 Reporting Legal Actions.

17.1 Summons or Complaint. Employee will notify Warehouse Goods in writing within five (5) working days of being served with a summons, complaint, written claim, or other document alleging negligence or other injury, whether before or during employment by Warehouse Goods.

17.2 Occurrence or Event. Employee will orally notify Warehouse Goods within five (5) working days of any event which raises a reasonable probability that it will result in a legal claim or action against Employee relating to his/her employment duties.

17.3 Arrest Indictment or Conviction. Employee will orally notify Warehouse Goods immediately, and in writing within five (5) days, of any arrest, indictment or conviction for other than a misdemeanor motor vehicle license infraction.

17.4 Cooperation in Dispute Resolution. Employee recognizes that certain disputes may arise between Warehouse Goods and third parties, the resolution of which may require the cooperation of Employee, including, but not limited to, Employee's providing factual information and giving depositions and testimony in judicial and administrative proceedings. Employee shall, during the term hereof and at all times after termination for a period of five (5) years, cooperate with Warehouse Goods to allow it to advance its position with respect to such disputes. Warehouse Goods shall provide reasonable compensation to employee and reimburse Employee for all out-of-pocket expenses incurred in connection with such cooperation, provided that Employee obtains Warehouse Goods' agreement in advance for such expenses and provides Warehouse Goods with an itemized written account of such reimbursable expenses. The terms and conditions of this Paragraph shall survive termination of this Agreement.

18 Miscellaneous.

18.1 Applicable law. This Agreement, and the rights and obligations of the parties herein, shall be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of Florida, without reference to conflicts of laws principles as applied in that State. Subject to the arbitration provisions of Section 13 above, the parties each consent to the exclusive jurisdiction of any state or federal court located in the County of Palm Beach, State of Florida in all actions or proceedings relating to this Agreement.

18.2 Confidentiality. The parties hereto agree that each shall hold this Agreement and the information contained in this Agreement as confidential and shall not disclose this Agreement or any of its terms or information contained in this Agreement to any non party, except as necessary to carry out the terms herein or as required by state or federal law.

18.3 Heading and captions. Headings and captions used in this Agreement are for convenience only and should not be considered in interpreting the provisions hereof.

18.4 Federal and state law regulations. This Agreement, and the performance thereof, is subject to the requirements of all applicable state and federal laws. Provisions required thereby to be in this Agreement shall be incorporated herein by this reference and shall bind the parties to this Agreement whether or not specifically provided herein.

18.5 Modification. This Agreement, and the attachments hereto, constitute the entire understanding of the parties hereto and no changes, amendments or alterations shall be effective unless in writing and signed by both parties.

18.6 Enforceability. The invalidity or un-enforceability of any terms or conditions hereof shall in no way affect the validity or enforceability of any other term or provision.

18.7 Notice. Any notice required to be given under this Agreement shall be in writing and shall be delivered by certified mail, return receipt requested, to the Employee's last known residence or to Warehouse Goods, Inc., Attention Aaron Locascio, Boca Raton, Florida.

18.8 Complete Agreement. This Agreement, together with the Proprietary Rights and Confidentiality Agreement entered into by the parties contemporaneously herewith, constitute the entire understanding of the parties in respect of its subject matter, and supersedes all prior oral agreements and understandings between the parties with respect to its subject matter.

18.9 Waiver. No waiver of any default in the performance of any of the duties or obligations arising under this Agreement shall be valid unless in writing and signed by the waiving party. Waiver of any one default shall not constitute or be construed as creating a waiver of any other default or defaults. No course of dealing between the parties shall operate as a waiver or preclude the exercise of any rights or remedies under this Agreement. Failure on the part of either party to object to any act or failure to act of the other party, or to declare the other party in default, regardless of the extent of such default, shall not constitute a waiver by such party of its rights hereunder.

/s/ Aaron LoCascio
Aaron LoCascio, CEO
Warehouse Goods, Inc.

Date 4/17/15

/s/ Jay Scheiner
Jay Scheiner

Date 4/13/15

EXHIBIT A

Compensation. Warehouse Goods shall pay, to or for the benefit of Employee as compensation ("Salary") in the amount of $7,500.00 semi-monthly ($180,000.00 per year), along with a discretionary annual bonus. Warehouse Goods shall withhold from each compensation payment made to Employee the required withholding and other employment-related taxes, as well as any benefits to which Employee makes a contribution, and any personal expenses incurred by Employee, the payment for which was advanced by Warehouse Goods.

Should a compensatory stock plan become available you will be eligible to participate in a manner consistent with other employees with similar responsibilities.

Reviews and Probation Period. Employee will be under a sixty (60) day introductory period. After which, Employee will have an evaluation to review performance and goals.

Payroll Schedule. All employees are paid semi-monthly on the 5th and the 20th for the corresponding previous work period. In the event that a regularly scheduled payday falls on a weekend or holiday, you will be paid on the last day of work before the scheduled payday.

Benefits. Employee will receive benefits based on employment status in accordance with requirements as stated in the company's summary of benefits. For the purpose of determining the Employee's eligibility, the hire date used will be the date consulting services began (2/2/15); with the exception of the Employer's 401 (k) Retirement Plan which will be based on the Employee hire date (4/16/15).

In addition the Employee will also receive:

12 PTO days upon hire date
$500.00 Monthly car allowance ($250.00 per pay period)
$100.00 Monthly cell phone allowance ($50.00 per pay period)

Employee agrees to keep the terms of this Agreement confidential, and shall not disclose any of the terms and conditions of this Agreement to third parties or otherwise make the terms and conditions of this Agreement public except pursuant to the order of a court of competent jurisdiction or in connection with legal proceedings to enforce the terms and conditions of this Agreement. Employee acknowledges that Employee's breach of this provision is grounds for immediate termination, and further acknowledges that such a breach would cause Warehouse Goods irreparable harm for which monetary compensation alone would be an inadequate remedy. Accordingly, without limiting any other remedies available to Warehouse Goods in connection with a breach or threatened breach of this provision, Warehouse Goods shall be entitled to injunctive relief if Employee breaches or threatens to breach this provision.

/s/ Aaron LoCascio
Aaron LoCascio, CEO
Warehouse Goods, Inc.

Date 4/17/15

/s/ Jay Scheiner
Jay Scheiner

Date 4/13/15

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into by and between Warehouse Goods, LLC a Delaware Limited Liability Company and subsidiaries, hereinafter referred to as "Company" or "Employer" and Ethan Rudin hereinafter referred to as "Employee," on the 25 day of February, 2019.

WITNESSETH:

WHEREAS, the Company has instituted a network of employed and contracted employees to assist in the receipt, processing, and dissemination of orders for vaporizers and associated products.

WHEREAS, the Company's agreements with vendors authorize the Company to sell vaporizers to customers.

WHEREAS, the Company and the Employee mutually desire to enter into an Agreement whereby the Employee agrees to provide certain services to the Company within accepted standards of care and under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1 Recitations. The aforestated recitations are true and correct and are incorporated herein by reference.

2 Definitions. Whenever used in this Agreement, the following terms shall have the definitions contained in this section.

Effective Date: means the last date specified on the signature portion of this Agreement.

3 Employment. The Company hereby employs the Employee as, and in the specific capacity ofChief Financial Officer and the Employee accepts said employment upon the terms and conditions of this Agreement.

4 Employee's Duties and Responsibilities.

4.1 The Employee shall be responsible for, but not limited to task and duties relating to the position of Chief Financial Officer.

4.2 The Employee shall at all times conduct himself or herself in compliance with all applicable federal, state, and local laws and their rules and regulations and in compliance with the Company's policies and procedures, and the terms of this Agreement.

4.3 The Employee will occasionally be asked to work additional hours, including but not limited to working trade shows, weekends, and mandatory meetings.

5 Employer's Responsibilities.

5.1 Administration. The Company shall perform the appropriate administrative, regulatory, marketing, enrollment and other functions necessary for administration of the company, pursuant to applicable state and federal law. The Employer shall make all employment, termination, supervision, discipline and promotion decisions concerning its employees, and will assign employees, at its discretion, to assist the Employee with the Employee's performance hereunder. The Employer shall provide the Employee such office space, facilities, and supplies as reasonably necessary, in its discretion, to permit the Employee to provide the services described herein. The Employee shall abide by policies and procedures established by the Company.

5.2 Accounting. The Company shall maintain, in accordance with generally accepted accounting principles, such financial accounting records as shall be necessary, ,appropriate and convenient to carry out the purposes of this Agreement. The Company may contract with a third party to carry out any or all of these functions.

5.3 Information. The Company shall provide the Employee with information and data reasonably necessary to carry out the terms and conditions of this Agreement.

6 Compensation & Benefits. The Company shall provide compensation and benefits to the Employee for the continual and complete discharge of his or her duties under this Agreement as specified in attached Exhibit A.

7 Relocation Expense Reimbursements. The Company shall provide relocation expense reimbursements under this agreement as specified in attached Exhibit B, if applicable.

8 Term of Agreement/Termination.

8.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue for the period of one year thereafter. This Agreement shall automatically renew for successive one year periods, unless either party notifies the other of its desire not to renew the Agreement at least 60 days prior to the next scheduled renewal date. This Agreement may also be terminated in accordance with any applicable provision of this Agreement.

8.2 Termination — Without Cause. Either party may terminate this Agreement at any time without cause.

8.3 Employer Right To Terminate — For Cause.The Employer may terminate the Agreement for cause immediately in the event of the occurrence of any of the following events:

8.3.1 Employee violates any applicable law;

8.3.2 Employee's commission of any act or omission that, in the Company's sole judgment, subjects the Company to shame or ridicule, or otherwise materially diminishes the reputation and good name of the Company;

8.3.3 Employee is in violation of or engages in conduct which in the Company's reasonably exercised judgment, is inconsistent with the Employer's policies, and procedures, business or professional interests;

8.3.4 Employee commits any act or omission that, in the Company's reasonably exercised judgment creates a conflict of interest or places the Employee in a posture adverse to the best interests of the Company;

8.3.5 Employee becomes unable to perform the Employee's duties and obligations pursuant to this Agreement, with reasonable accommodation, for a continuous period of more than thirty (30) days or for period of sixty (60) days during any consecutive three hundred sixty-five (365) day period;

8.3.6 Death of the Employee; and

8.3.7 A breach by the Employee of any other term or condition of this Agreement which remains uncured for a period of ten (10) days following receipt of notification from the Company of such breach.

8.4 Obligations upon Termination. Upon termination of this Agreement, neither party shall have any further obligation hereunder except for obligations accruing prior to the date of termination, and those obligations, promises or covenants contained herein which are expressly made to extend beyond the term of the Agreement.

8.5 Employee's Cooperation Upon Termination. The Employee agrees that for the period of his employment and thereafter for a period of twenty-four (24) months, the Company has the right to receive, open, and / or intercept all mail, and other communications (whether written, or in electronic, or other form) addressed to the Employee at the Company's address or received by the Company by means of any electronic media, and the right to take possession, for the Company's own account, any mail or other communication provided such communication relates to the Company's business, and the Company shall have the further right to endorse the Employee's name on financial instruments "for deposit" and to deposit for the account of the Company any check, money order or other financial instrument payable to the Employee that is received from any person as payment for product or professional or other services rendered by the Company during the term of this Agreement.

9 Acknowledgements. The Company is engaged in the business of providing vaporizers and related equipment to members of the public and retailers and engages in competition with other businesses that provide herbal vaporizers to members of the public and retailers. Through great time, energy and expense, the Company has developed expertise, programs, systems, methods, practices, and other information as well as contractual and business relationships with vendors and others that enable the Company to compete in the industry. The Employee acknowledges that:

9.1 The Company's business is highly specialized;

9.2 The expertise, programs, systems, methods, practices, and other information developed, used and maintained by the Company are not generally known by competitors in the industry;

9.3 The Company has a proprietary interest in its programs, systems, methods, practices, and other information developed and maintained by the Company;

9.4 Documents and other information regarding the Company's business methods, relationships, strategies, costs, programs, systems, methods, practices, and other information developed, used and maintained by the Company are highly confidential and constitute trade secrets; and

9.5 Disclosure of the Company's confidential and trade secret information would irreparably harm the Company and give unfair advantage to any other person competing with the Company in the industry.

10 Intellectual Property and Confidential Information. In order to induce the Company to hire and to thereafter continue to employ the Employee, the Employee and the Company have entered into a Proprietary Rights and Confidentiality Agreement.

11 Restrictive Covenant. During the term of this Agreement, and for a period of eighteen (18) months after this Agreement has been terminated for any reason, regardless of whether the termination is initiated by the Company or the Employee, the Employee will not without written consent from the Company directly or indirectly, on behalf of himself or herself or on behalf of any other person, firm, company, partnership or business entity:

11.1 solicit any business from any person who is or was a customer or supplier of the Company during a period of five (5) years prior to the termination of the Employee's employment;

11.2 recruit or solicit any employee of the Company, or person who was employed by the Company during a period of one (1) year prior to the termination of the Employee's employment, for employment with any other organization which engages directly or indirectly in the business of providing vaporizers and related goods to members of the public;

11.3 own, manage, operate, control, be employed by, participate in, or be connected in any manner whatsoever with the ownership, management, operation, or control of any business engaged in the vaporizer industry or any other business similar to the type of business conducted by the Company.

12 Injunction for Breach. In the event of a breach or threatened breach by the Employee of any of the promises contained in this Agreement, the Employee acknowledges that the Company's remedy at law for damages will be inadequate and that the Company will be entitled to an injunction, without the requirement of an injunction bond, to prevent and enjoin the Employee from breaching or threatening to breach any of the provisions contained herein. The Company's application to a court of law for an injunction under this paragraph will not constitute a waiver by the Company or in any way limit or prohibit the Company from pursuing any other remedies available to it in law or equity. The Employee further agrees that:

12.1 the obligations of paragraphs 10 and 11 of this Agreement are independent of any other obligations of the Company, and the existence of any claim or cause of action of the Employee against the Company, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the provisions of paragraphs 10 and 11;

12.2 the restrictive covenant provisions of this Agreement are reasonable and necessary to protect the Company's legitimate business interests, including but not limited to the protection of the Company's trade secrets and confidential information, relationships with existing and prospective customers and other business relationships, goodwill, and the Company's investment in training the Employee;

12.3 if any portion of the restrictive covenants of this Agreement are held by a court to be unreasonable, arbitrary, or against public policy for any reason, the restrictive covenant shall be enforced as to a lesser scope, time or geographic area, to the fullest extent possible such that the provision shall not be considered unreasonable or unenforceable;

12.4 if proceedings have to be brought by the Company against the Employee to enforce the restrictive covenant provisions of this Agreement, the period of restriction shall be deemed to begin to run on the date of entry of an order granting the Company injunctive relief, and shall continue uninterrupted for the next succeeding twelve (12) months.

13 Dispute Resolution. In the event of any dispute or claim regarding this Agreement or any part thereof, the parties agree to submit such dispute or claim to binding arbitration. A single arbitrator shall be chosen by mutual agreement between the parties and their respective counsel, who shall render an award within 30 days of the arbitration hearing. The venue for any such arbitration shall be Palm Beach County, Florida. The determination or award rendered therein shall be binding and conclusive upon the parties, and judgment may be entered thereon in accordance with applicable law in any court having jurisdiction over the parties. The prevailing party in any such arbitration proceeding shall recover from the other party his/her/its attorneys fees and costs, which amounts shall be determined by the arbitrator. This paragraph will not be deemed a waiver of the Company's right to injunctive relief as provided for in this Agreement.

14 Representation. The Employee hereby represents and warrants to the Company that: (a) this Agreement constitutes the legal, valid and binding obligation to the Employee, enforceable against the Employee in accordance with its terms; (b) the execution, delivery and performance of this Agreement has been duly authorized by all required action of the Employee and (c) such execution, delivery and performance does not violate any provisions of any agreement to which the Employee is a party, or any laws or regulations applicable to the Employee.

15 Indemnification. The Employee shall indemnify and hold harmless, to the fullest extent permitted by law, the Company, its officers, directors, and shareholders with regard to any threatened, pending or contemplated claim, action, suit, or other type of proceeding, or any final judgment, assessment, fine, or penalty, including, without limitation: (a) any obligations to repay any sums previously paid, directly or indirectly, to the Company with respect to services rendered by the Employee on behalf of the Company if such overpayment results from or is based on the Employee: (i) the Internal Revenue Service upon audit or examination determine that business deductions to the Employee are disallowed as ineligible business deductions to the Company; (ii) professional or general liability claims or judgments are asserted against the Company with respect to acts or omissions of the Employee which exceed applicable insurance proceeds or which are determined to be non-covered by insurance; and (iii) any breach by the Employee of any of the representations and warranties of the Employee contained herein.

16 No Ownership Interest. During the term of this Agreement, the Employee shall not be required to contribute any money towards the Company's equipment or operations, but likewise the Employee will have no financial interest in the accounts receivable, furniture, equipment, leasehold improvements, property, assets, goodwill or the like of the Company unless otherwise stated in Exhibit A.

17 Reporting Legal Actions.

17.1 Summons or Complaint. The Employee will notify the Company in writing within five (5) working days of being served with a summons, complaint, written claim, or other document alleging negligence or other injury, whether before or during employment by the Company.

17.2 Occurrence or Event. The Employee will orally notify the Company within five (5) working days of any event which raises a reasonable probability that it will result in a legal claim or action against the Employee relating to his/her employment duties.

17.3 Arrest, Indictment or Conviction. The Employee will orally notify the Company immediately, and in writing within five (5) days, of any arrest, indictment or conviction for other than a misdemeanor motor vehicle license infraction.

17.4 Cooperation in Dispute Resolution. The Employee recognizes that certain disputes may arise between the Company and third parties, the resolution of which may require the cooperation of the Employee, including, but not limited to, the Employee's providing factual information and giving depositions and testimony in judicial and administrative proceedings. The Employee shall, during the term hereof and at all times after termination for a period of five (5) years, cooperate with the Company to allow it to advance its position with respect to such disputes. The Company shall provide reasonable compensation to the Employee and reimburse the Employee for all out-of-pocket expenses incurred in connection with such cooperation, provided that the Employee obtains the Company's agreement in advance for such expenses and provides the Company with an itemized written account of such reimbursable expenses. The terms and conditions of this Paragraph shall survive termination of this Agreement.

18 Miscellaneous.

18.1 Applicable law. This Agreement, and the rights and obligations of the parties herein, shall be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of Florida, without reference to conflicts of laws principles as applied in that State. Subject to the arbitration provisions of Section 13 above, the parties each consent to the exclusive jurisdiction of any state or federal court located in the County of Palm Beach, State of Florida in all actions or proceedings relating to this Agreement.

18.2 Confidentiality. The parties hereto agree that each shall hold this Agreement and the information contained in this Agreement as confidential and shall not disclose this Agreement or any of its terms or information contained in this Agreement to any non party, except as necessary to carry out the terms herein or as required by state or federal law.

18.3 Heading and captions. Headings and captions used in this Agreement are for convenience only and should not be considered in interpreting the provisions hereof.

18.4 Federal and state law regulations. This Agreement, and the performance thereof, is subject to the requirements of all applicable state and federal laws. Provisions required thereby to be in this Agreement shall be incorporated herein by this reference and shall bind the parties to this Agreement whether or not specifically provided herein.

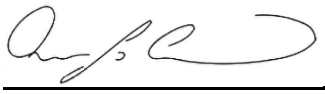
18.5 Modification. This Agreement, and the attachments hereto, constitute the entire understanding of the parties hereto and no changes, amendments or alterations shall be effective unless in writing and signed by both parties.

18.6 Enforceability. The invalidity or un-enforceability of any terms or conditions hereof shall in no way affect the validity or enforceability of any other term or provision.

18.7 Notice. Any notice required to be given under this Agreement shall be in writing and shall be delivered by certified mail, return receipt requested, to the Employee's last known residence or to Warehouse Goods, LLC, Attention Aaron LoCascio, Boca Raton, Florida.

18.8 Complete Agreement. This Agreement, together with the Proprietary Rights and Confidentiality Agreement entered into by the parties contemporaneously herewith, constitute the entire understanding of the parties in respect of its subject matter, and supersedes all prior oral agreements and understandings between the parties with respect to its subject matter.

18.9 Waiver. No waiver of any default in the performance of any of the duties or obligations arising under this Agreement shall be valid unless in writing and signed by the waiving party. Waiver of any one default shall not constitute or be construed as creating a waiver of any other default or defaults. No course of dealing between the parties shall operate as a waiver or preclude the exercise of any rights or remedies under this Agreement. Failure on the part of either party to object to any act or failure to act of the other party, or to declare the other party in default, regardless of the extent of such default, shall not constitute a waiver by such party of its rights hereunder.



Warehouse Goods, LLC

Date 3/14/2019

DocuSigned by:

/s/ Ethan Rudin
Ethan Rudin

Date 3/13/2019

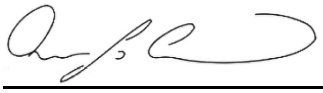
EXHIBIT A

Compensation The Company shall pay, to or for the benefit of the Employee as compensation ("Salary") in the amount of $10,416.66 semi-monthly ($ 250,000.00 per year). The Company shall withhold from each compensation payment made to the Employee the required withholding and other employment-related taxes; as well as any benefits to which the Employee contributes, and any personal expenses incurred by the Employee, the payment for which was advanced by the Company.

Payroll Schedule All employees are paid semi-monthly, on the 5th and the 20th of each month, for the corresponding previous work period.

Benefits The Employee will receive benefits based on employment status in accordance with the requirements as stated in the company's summary of benefits.

The Employee agrees to keep the terms of this Agreement confidential, and shall not disclose any of the terms and conditions of this Agreement to third parties or otherwise make the terms and conditions of this Agreement public except pursuant to the order of a court of competent jurisdiction or in connection with legal proceedings to enforce the terms and conditions of this Agreement. The Employee acknowledges that the Employee's breach of this provision is grounds for immediate termination, and further acknowledges that such a breach would cause the Company irreparable harm for which monetary compensation alone would be an inadequate remedy. Accordingly, without limiting any other remedies available to the Company in connection with a breach or threatened breach of this provision, the Company shall be entitled to injunctive relief if the Employee breaches or threatens to breach this provision.



Warehouse Goods, LLC

Date 3/14/2019

DocuSigned by:

/s/ Ethan Rudin
Ethan Rudin

Date 3/13/2019

Exhibit 10.16

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made, executed and delivered as of the 5th day of November 2018, by and between Jacoby & Co. Inc., a Nevada corporation ("Assignor"), Warehouse Goods LLC, a Delaware limited liability company ("Assignee"), and Aaron LoCascio ("Executive").

W I T N E S S E T H:

WHEREAS, Assignor is party to an employment agreement dated October 28, 2015 with Executive (the "Employment Agreement"); and

WHEREAS, in accordance with Section 7(a) of the Employment Agreement, Assignor desires to assign all of its right, title and interest in and to the Employment Agreement to Assignee; and

WHEREAS, the Executive wishes to work for Assignee under the terms of the Employment Agreement.

WITNESSETH, **THAT FOR AND IN CONSIDERATION** of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby bargains, sells, assigns and transfers unto Assignee, its successors and assigns, all of Assignor's right, title and interest in, to and under the Employment Agreement.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns from and after the date hereof for all the rest of the term of such Employment Agreement (and any renewals, extensions and other options therein contained), subject to the covenants, conditions and provisions therein contained.

ASSIGNEE HEREBY assumes and agrees to perform any and all liabilities and obligations under the Employment Agreement.

EXECUTIVE HEREBY consents to the assignments of the Employment Agreement to Assignee and agrees to perform services for Assignee pursuant to the terms of the Employment Agreement. From and after the date hereof, Executive shall look only to Assignee for performance under the Employment Agreement.

This Agreement shall inure to the benefit of and be binding upon Assignor, Assignee and Executive and their respective successors and assigns.

This instrument is subject to the terms and conditions of the Employment Agreement and shall be governed and enforced in accordance with the laws of the State of Delaware without regard to conflicts of law principles.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Assignor, Assignee, and Executive have caused this Assignment and Assumption Agreement to be executed and delivered by their duly authorized representatives as of the day and year first above written.

ASSIGNOR

JACOBY & CO. INC.

By: Adam Schoenfeld
Name: Adam Schoenfeld
Title: CSO

ASSIGNEE

WAREHOUSE GOODS LLC

By: /s/ Adam Schoenfeld
Name: Adam Schoenfeld
Title: CSO

EXECUTIVE

By: /s/ Aaron LoCascio
Name: Aaron LoCascio

Exhibit 10.17

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made, executed and delivered as of the 5th day of November 2018, by and between Jacoby & Co. Inc., a Nevada corporation ("Assignor"), Warehouse Goods LLC, a Delaware limited liability company ("Assignee"), and Adam Schoenfeld ("Executive").

W I T N E S S E T H:

WHEREAS, Assignor is party to an employment agreement dated October 28, 2015 with Executive (the "Employment Agreement"); and

WHEREAS, in accordance with Section 7(a) of the Employment Agreement, Assignor desires to assign all of its right, title and interest in and to the Employment Agreement to Assignee; and

WHEREAS, the Executive wishes to work for Assignee under the terms of the Employment Agreement.

WITNESSETH, **THAT FOR AND IN CONSIDERATION** of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby bargains, sells, assigns and transfers unto Assignee, its successors and assigns, all of Assignor's right, title and interest in, to and under the Employment Agreement.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns from and after the date hereof for all the rest of the term of such Employment Agreement (and any renewals, extensions and other options therein contained), subject to the covenants, conditions and provisions therein contained.

ASSIGNEE HEREBY assumes and agrees to perform any and all liabilities and obligations under the Employment Agreement.

EXECUTIVE HEREBY consents to the assignments of the Employment Agreement to Assignee and agrees to perform services for Assignee pursuant to the terms of the Employment Agreement. From and after the date hereof, Executive shall look only to Assignee for performance under the Employment Agreement.

This Agreement shall inure to the benefit of and be binding upon Assignor, Assignee and Executive and their respective successors and assigns.

This instrument is subject to the terms and conditions of the Employment Agreement and shall be governed and enforced in accordance with the laws of the State of Delaware without regard to conflicts of law principles.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Assignor, Assignee, and Executive have caused this Assignment and Assumption Agreement to be executed and delivered by their duly authorized representatives as of the day and year first above written.

ASSIGNOR

JACOBY & CO. INC.

By: Aaron LoCascio
Name: Aaron LoCascio
Title: CEO

ASSIGNEE

WAREHOUSE GOODS LLC

By: /s/ Aaron LoCascio
Name: Aaron LoCascio
Title: CEO

EXECUTIVE

By: /s/ Adam Schoenfeld
Name: Adam Schoenfeld

Exhibit 10.18

EXECUTION VERSION

CONTRIBUTION AGREEMENT

DATED AS OF JANUARY 4, 2019

BY AND AMONG

GREENLANE HOLDINGS, LLC,

POLLEN GEAR LLC

AND

POLLEN GEAR HOLDINGS LLC

TABLE OF CONTENTS

EXHIBITS

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "***Agreement***"), dated as of the 4th day of January, 2019, is made and entered into by and among Greenlane Holdings, LLC, a Delaware limited liability company (the "***Purchaser***"), Pollen Gear Holdings LLC, a California limited liability company (the "***Seller***") and Pollen Gear LLC, a Delaware limited liability company (the "***Company***"). Capitalized terms used, but not defined herein shall have the meanings ascribed to them in Exhibit A attached hereto.

WITNESSETH:

WHEREAS, the Seller is the owner of all of the issued and outstanding limited liability company membership interests (the "***Contributed Interests***") of the Company;

WHEREAS, the Seller desires to contribute the Contributed Interests to the Purchaser, and the Purchaser desires to accept the Contributed Interests from the Seller and, in exchange therefor, to issue to the Seller the Greenlane Interests (defined below) pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

ARTICLE I
CONTRIBUTION OF THE CONTRIBUTED INTERESTS

1.01. Contribution of the Contributed Interests. On the terms and subject to the conditions set forth in this Agreement and on the basis of the representations, warranties, covenants and agreements herein contained, the Purchaser hereby receives, acquires and accepts from the Seller, and the Seller hereby contributes, transfers, assigns, conveys and delivers to the Purchaser, all of the Seller's right, title and interest in and to the Contributed Interests to be contributed by the Seller pursuant to this Agreement, in accordance with the terms of the Governing Documents of the Company, free and clear of all Encumbrances (other than any restrictions under the Securities Act or applicable state securities Laws).

1.02. Contribution Consideration. As consideration for the contribution and transfer of the Contributed Interests, the Purchaser shall issue to the Seller (the "***Contribution Consideration***") membership interests representing in the aggregate four percent (4.0%) of the issued and outstanding membership interests of the Purchaser (the "***Greenlane Interests***"), in accordance with the terms of the Governing Documents of the Purchaser and free and clear of all Encumbrances (other than any restrictions under the Securities Act or applicable state securities Laws or as set forth in the Purchaser's Governing Documents).

1.03. Withholding. Notwithstanding any provision contained herein to the contrary, the Purchaser shall be entitled to deduct and withhold from any amounts payable to the Seller pursuant to this Agreement to the extent required under any provision of Tax Law. If the Purchaser so deducts or withholds amounts, such amounts shall be treated for all purposes of this Agreement as having been paid to the Seller in respect of which such deduction and withholding was made.

1.04. Tax Treatment. It is the intent of the Purchaser and the Seller that, for U.S. federal income tax purposes, the contribution by the Seller of the Contributed Interests in exchange for the Greenlane Interests be governed by Section 721 of the Code. The parties shall not take any action or position inconsistent with this Section 1.04, except as otherwise required by Law.

ARTICLE II
CLOSING

2.01. Closing Date. The closing of the transactions contemplated by this Agreement (the "***Closing***") shall take place on the date that is the third (3rd) Business Day following the satisfaction or waiver of the conditions specified in Article VIII (other than conditions with respect to actions the respective parties shall take at the Closing itself, but otherwise subject to the satisfaction thereof at the Closing), or such other date as the parties may mutually agree to in writing (the day on which the Closing takes place, the "***Closing Date***"), effective as of 11:59 p.m. on the Closing Date. In lieu of an in-person Closing, the Closing may instead be accomplished by electronic transmission to the respective offices of legal counsel for the parties of the requisite documents, duly executed where required, delivered upon actual confirmed receipt. The parties hereto acknowledge and agree that all proceedings to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously on the Closing Date, and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

2.02. Deliveries by the Seller. At the Closing, the Seller shall deliver (or cause to be delivered) to the Purchaser originals or copies, if specified, of the following:

(a) assignments or other instruments of transfer with respect to the Contributed Interests as requested by the Purchaser, duly endorsed in blank, and, to the extent the Contributed Interests are certificated, certificates representing the Contributed Interests;

(b) a joinder to the amended and restated operating agreement of the Purchaser dated as of the date hereof (the "***Greenlane Operating Agreement***"), in form and substance satisfactory to the Purchaser, in its reasonable discretion, duly executed by the Seller;

(c) counterparts of all other agreements, documents and instruments required to be delivered by the Seller pursuant to this Agreement or any of the Related Agreements, duly executed by the Seller;

(d) copies of each consent, waiver, authorization and approval required in connection with the consummation of the transactions contemplated hereby, including those contemplated pursuant to Section 4.04 of this Agreement, in each case, in form and substance satisfactory to the Purchaser;

(e) a Certificate of Good Standing of the Company issued by the Secretary of State of the State of Delaware and of each other state or jurisdiction in which the Company is qualified to do business, dated within five (5) Business Days of the Closing Date;

(f) a Certificate of Good Standing of the Seller issued by the Secretary of State of the State of Delaware and of each other state or jurisdiction in which the Company is qualified to do business, dated within five (5) Business Days of the Closing Date;

(g) a copy of all Governing Documents of the Company, including: (i) the Certificate of Formation or similar document of the Company, together with all amendments thereto, certified as true, complete and correct by the Secretary of State of the State of Delaware; and (ii) the Amended and Restated Operating Agreement of the Company, together with all amendments thereto and/or restatements thereof certified as true, complete and correct and in full force and effect by the Manager of the Company;

(h) a copy of all Governing Documents of the Seller, including: (i) the Articles of Organization or similar document of the Seller, together with all amendments thereto, certified as true, complete and correct by the Secretary of State of the State of California; and (ii) the Operating Agreement of the Seller, together with all amendments thereto and/or restatements thereof certified as true, complete and correct and in full force and effect by the Manager of the Company;

(i) IRS Forms W-9 from the Seller and an affidavit dated as of the Closing Date in form and substance reasonably satisfactory to the Purchaser, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code stating that the Seller is not a "foreign person" as defined in Section 1445 of the Code;

(j) evidence in form and substance reasonably satisfactory to the Purchaser of the consent by the Landlord to the assignment of the Standard Industrial/Commercial Multi-Tenant Lease for the 601 Cypress Avenue, Hermosa Beach, CA property;

(k) evidence in form and substance reasonably satisfactory to the Purchaser of the conversion of all outstanding Convertible Notes of the Company into units of the Seller, and the discharge of all outstanding Debt in connection with such Convertible Notes, in each case, prior to the Closing;

(l) evidence of revised bank access documentation providing Aaron LoCascio and Adam Schoenfeld with access and control upon Closing over the accounts referenced in Schedule 4.28 from and after Closing;

(m) employment agreements duly executed by each of Edward Kilduff and Jason Brown, in substantially the form attached hereto as Exhibit C-1 and C-2, respectively (collectively, the "***Employment Agreements***");

(n) an assignment of all Intellectual Property owned by any of the Employees that is used in or necessary to the Business as operated or proposed to be operated by the Company; and

(o) all other documentation reasonably requested by the Purchaser.

2.03. Deliveries by the Purchaser. At the Closing, the Purchaser shall deliver (or cause to be delivered) originals or copies, if specified, of the following agreements, documents and other items:

(a) the Employment Agreements duly executed by the Purchaser;

(b) counterparts of all agreements, documents and instruments required to be delivered by the Purchaser pursuant to this Agreement or any of the Related Agreements, duly executed by the Purchaser;

(c) certificates to the Seller representing the Greenlane Interests, to the extent certificated representing, in the aggregate, four percent (4.0%) of the outstanding Equity Securities of the Purchaser;

(d) copies of each consent, waiver, authorization and approval required in connection with the consummation of the transactions contemplated hereby, including those contemplated pursuant to Section 5.07 of this Agreement, in each case, in form and substance satisfactory to the Seller;

(e) all other documentation reasonably requested by the Seller.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Purchaser that the statements contained in thisArticle III are true, correct and complete as of the date hereof.

3.01. Organization; Power; Capacity. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of formation, organization or incorporation, as applicable. The Seller has all requisite power and authority, and legal capacity, to: (a) execute and deliver this Agreement and the Related Agreements to which the Seller is a party; (b) to carry out the Seller's obligations hereunder and thereunder; (c) to comply with and fulfill the terms and conditions of this Agreement and the Related Agreements to which the Seller is a party; and (d) to consummate the transactions contemplated hereby and thereby.

3.02. Authorization and Validity of Agreement. The execution, delivery and performance of this Agreement and the other Related Agreements to which the Seller is a party have been duly authorized by the Seller. This Agreement has been, and each other Related Agreement to which the Seller is a party has been, duly executed and delivered by the Seller and constitutes the Seller's valid and binding obligation, enforceable against the Seller in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a Proceeding at Law or equity).

3.03. Title to the Contributed Interests. The Seller has good and marketable title to, and is the sole record and beneficial owner of, all of the Contributed Interests, free and clear of all Encumbrances or any restrictions on transfer (other than any restrictions under the Securities Act or applicable state securities Laws or restrictions contained in the Governing Documents of the Company). The Seller has complete and unrestricted power and the unqualified right to contribute, convey, assign, transfer and deliver the Contributed Interests, and the instruments of assignment and transfer to be executed and delivered by the Seller to the Purchaser at the Closing shall be valid and binding obligations of the Seller. At the Closing, the Seller shall transfer to the Purchaser good and marketable title to the Contributed Interests to be sold by the Seller pursuant to this Agreement, free and clear of all Encumbrances or any restrictions on transfer, other than any restrictions under the Securities Act or applicable state securities Laws.

3.04. No Conflict; Required Filings and Consents. The execution, delivery and consummation of this Agreement by the Seller does not, and the execution, delivery and consummation of the Related Agreements to which the Seller is a party and the performance of this Agreement and such Related Agreements will not: (a) violate any Law applicable to the Seller or which affects the Contributed Interests to be contributed by the Seller; (b)(i) require any consent or approval other than as set forth in this Agreement or (ii) violate or result in any breach of or constitute (with or without due notice or the passage of time or both) a default under any judicial consent, order, decree or any Contract to which the Seller is a party or to which the Contributed Interests to be sold by the Seller are subject; or (c) result in the imposition of any Encumbrance or restriction on the Seller's Contributed Interests (with or without due notice or the passage of time or both).

3.05. Litigation. To the Seller's Knowledge, there are no Proceedings pending or threatened against or affecting the Seller, which would affect the ability of the Seller to consummate the transactions contemplated by this Agreement or any Related Agreement to which the Seller is a party. There are no currently existing events, facts or circumstances which could reasonably be expected to form the basis for any Proceeding or order, or decree of any court or Governmental Entity which would affect the ability of the Seller to consummate the transactions contemplated by this Agreement or any Related Agreement to which the Seller is a party.

3.06. Acquisition for Own Account. The Seller is acquiring the Greenlane Interests for the Seller's own account, or the account of another Seller or Person identified to the Purchaser in writing, as principal, not as a nominee or agent, for investment purposes only, and not with a view to, or for, resale, distribution or fractionalization thereof in whole or in part and no other Person has a direct or indirect beneficial interest in such Greenlane Interests. Further, the Seller does not have any Contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third person, with respect to any of the Greenlane Interests other than as may be set forth in the Greenlane Operating Agreement.

3.07. Seller Diligence. The Seller has been given the opportunity for a reasonable time prior to the date hereof to ask questions of, and receive answers from, the Purchaser or its representatives concerning the terms and conditions of this Agreement, and other matters pertaining to its receipt of the Greenlane Interests, and has been given the opportunity for a reasonable time prior to the date hereof to obtain such additional information in connection with the Purchaser in order for the Seller to evaluate the merits and risks of its acquisition of the Greenlane Interests, to the extent the Purchaser possesses such information or can acquire it without unreasonable effort or expense. The Seller has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of holding the Greenlane Interests.

3.08. Accredited Investor. The Seller is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act. The Seller agrees to furnish any additional information requested by the Purchaser or any of its Affiliates to assure compliance with applicable U.S. federal and state securities Laws in connection with the acquisition and transfer of the Greenlane Interests.

3.09. No Bad Actor Disqualification. The Seller and its Rule 506(d) Related Parties (defined below) are not subject to any "Bad Actor" disqualifying events described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "***Disqualification Event***"), except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. The Seller hereby agrees that it shall notify the Purchaser promptly in writing in the event a Disqualification Event becomes applicable to the Seller or any of its Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Section 3.09, "***Rule 506(d) Related Party***" shall mean a Person that is a beneficial owner of the Seller's securities for purposes of Rule 506(d) of the Securities Act.

3.10. Limited Liquidity; Economic Risk. The Seller understands that (a) it may not be able to readily resell any of the Greenlane Interests acquired by the Seller pursuant to this Agreement because (i) there may only be a limited market, if any exists, for any of the Greenlane Interests and (ii) none of the Greenlane Interests have been registered under the Securities Act or any applicable state "blue sky" Laws; and (b) the Purchaser has the absolute right to refuse to consent to the transfer or assignment of the Greenlane Interests if such transfer or assignment does not comply with applicable Laws, including the Securities Act and any applicable state "blue sky" Laws, or the Governing Documents of the Purchaser. The Seller has the financial ability to bear the economic risk of a total diminution in value of the Greenlane Interests, has adequate means for providing for the Seller's current needs and personal contingencies and has no need for liquidity with respect to the Seller's acquisition of the Greenlane Interests.

3.11. Anti-Terrorism and Money Laundering Activities. The Seller acknowledges that the Purchaser is required by United States Federal Law to obtain, verify and record information that identifies each Person who makes contributions to the Purchaser in consideration for the Greenlane Interests. The Seller acknowledges and agrees that it will furnish to the Purchaser upon request a copy of the Seller's identifying documents that will assist the Purchaser to properly identify the Seller as required by Federal Law. Such documents may include, without limitation, a copy of the Seller's Governing Documents and evidence of the authority of the Person executing this Agreement on behalf of such the Seller that such Person has full authority to execute and deliver this Agreement on behalf of the Seller and otherwise to act on behalf of the Seller in connection with the Seller's receipt of the Greenlane Interests.

3.12. Broker's and Finder's Fees. No broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or with the transactions contemplated hereby as a result of any actions or commitments of the Seller.

3.13. No Reliance on IPO. The Seller acknowledges and agrees that in entering into this Agreement, it is not relying on any express or implied representation or other statement of the Purchaser regarding the Purchaser consummating or otherwise participating in an IPO.

3.14. Seller Capitalization. The capitalization of the Seller is as set forth onExhibit B (the "***Seller Interests***"). The Seller Interests constitute all of the issued and outstanding limited liability company interests, Equity Securities, or similar interests of the Seller and are duly authorized and were validly issued in compliance with the Seller's Governing Documents and all applicable securities Laws. There are no, and as of immediately following the Closing after giving effect to the transactions contemplated by this Agreement, there will not be, any Contracts, options, warrants, call rights, puts, convertible securities, exchangeable securities, understandings or other rights, arrangements or understandings of any kind to issue, repurchase, redeem, sell, deliver or otherwise acquire or cause to be issued, repurchased, redeemed, sold, delivered or acquired, any limited liability company interests, Equity Securities, Debt or similar interests in the Seller. The Seller has no Subsidiaries. Except as contemplated by the Governing Documents of the Seller, there are no voting trusts, limited liability company agreements, proxies or other agreements, understandings or obligations in effect with respect to the voting, transfer or sale (including any rights of first refusal, rights of first offer or drag-along rights), issuance (including any pre-emptive or anti-dilution rights), redemption or repurchase (including any put or call or buy-sell rights), or registration (including any related lock-up or market standoff agreements) of any membership interests of Seller.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

The Company and the Seller, jointly and severally, hereby represent and warrant to the Purchaser, subject to such exceptions as are specifically disclosed in the Disclosure Schedules delivered by the Seller concurrently with the execution of this Agreement (the "***Disclosure Schedules***"); that the statements contained in this Article IV are true, correct and complete as of the date hereof.

4.01. Organization; Power. The Company is a limited liability company duly organized and validly existing under the Laws of the State of Delaware. The Company is qualified as a foreign entity to transact business in, and is validly existing under the Laws of, the states listed on Schedule 4.01, and is not required to be qualified as a foreign entity in any other states or jurisdictions, except where such non-qualification would not reasonably be expected to have a Material Adverse Effect. The Company has all requisite power and authority to own, operate, lease and encumber its properties and carry on its business as now conducted and currently proposed to be conducted and to enter into this Agreement and each of the other Related Agreements to which it is a party and to carry out its obligations hereunder and thereunder.

4.02. Capitalization.

(a) The Contributed Interests constitute all of the authorized limited liability company membership interests of the Company. All of the Contributed Interests are held of record and beneficially owned by the Seller. The Contributed Interests constitute all of the issued and outstanding limited liability company interests, Equity Securities, or similar interests of the Company and are duly authorized and were validly issued in compliance with the Company's Governing Documents and all applicable securities Laws.

(b) Except as set forth on Schedule 4.02(b), there are no, and as of immediately following the Closing after giving effect to the transactions contemplated by this Agreement, there will not be, any Contracts, options, warrants, call rights, puts, convertible securities, exchangeable securities, understandings or other rights, arrangements or understandings of any kind to issue, repurchase, redeem, sell, deliver or otherwise acquire or cause to be issued, repurchased, redeemed, sold, delivered or acquired, any limited liability company interests, Equity Securities, Debt or similar interests in the Company.

(c) Except as contemplated by the Governing Documents of the Company, there are no voting trusts, limited liability company agreements, proxies or other agreements, understandings or obligations in effect with respect to the voting, transfer or sale (including any rights of first refusal, rights of first offer or drag-along rights), issuance (including any pre-emptive or anti-dilution rights), redemption or repurchase (including any put or call or buy-sell rights), or registration (including any related lock-up or market standoff agreements) of any membership interests of the Company.

(d) Schedule 4.02(c) sets forth a true and complete list of all direct or indirect Subsidiaries of the Company, listing for each Subsidiary its name, its jurisdiction of organization or formation, and the current record and beneficial ownership of its Equity Securities. All of the issued and outstanding Equity Interests of each Subsidiary are validly issued, credited as fully-paid and non-assessable, have not been issued in violation of any preemptive or similar rights, and are owned by the Company free and clear of any Liens. The Equity Securities of each Subsidiary were issued in compliance with applicable Laws. There are no outstanding subscriptions, options, rights, warrants or other commitments entitling any Person to purchase or otherwise subscribe for or acquire any Equity Interests of any Subsidiary of the Company, nor is there presently outstanding any security convertible into or exchangeable for Equity Interests of any Subsidiary of the Company, nor has the Company, any of its Subsidiaries or the Seller entered into any agreement with respect to any of the foregoing. Other than the Governing Documents of each Subsidiary of the Company, there are no voting trusts, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Equity Securities of such Subsidiary. Except as set forth on Schedule 4.02(c), neither the Company nor any of its Subsidiaries, directly or indirectly, own or have any interest in the Equity Interest in any Person.

4.03. No Conflict or Violation. Except as set forth on Schedule 4.03, the execution, delivery, consummation and performance of this Agreement and each of the Related Agreements does not and shall not: (a) violate or conflict with any provision of the Governing Documents of the Company, (b) violate in any material respect any provision of Law applicable to the Company, (c) violate or result in a breach of or constitute (with or without due notice or the passage of time, or both) a default under any judicial consent, order, decree or material Contract to which the Company is a party, or by which the Company's material Assets or properties may be bound, or (d) result in the imposition of any Encumbrance or restriction on the Business (with or without due notice or the passage of time, or both).

4.04. Consents and Approvals. Except as set forth on Schedule 4.04, to the Knowledge of the Company, no consent, waiver, authorization or approval of any Governmental Entity, or of any other Person, or declaration or notice to or filing or registration with any Governmental Entity or other Person, is required in connection with the consummation of the transactions contemplated hereby.

4.05. Financial Statements; No Undisclosed Liabilities.

(a) Attached hereto as Schedule 4.05(a) are copies of (i) the consolidated audited financial statements of the Company as of and for the year ended December 31, 2017 and December 31, 2016, which are comprised of the balance sheets as of December 31, 2017 and December 31, 2016, 2015, respectively, and the related statements of comprehensive income and owners' equity and cash flows for the years then ended and (ii) unaudited statements of the Company as of November 30, 2018 (such date, the "***Balance Sheet Date***"), which are comprised of the balance sheet as of the Balance Sheet Date, and the related statements of comprehensive income, owners' equity and cash flows of the Company for the ten (10) period then ended (collectively, the "***Financial Statements***").

(b) There are no material Liabilities against, relating to or affecting the Company or the Business of a nature required to be disclosed by GAAP except for Liabilities fully disclosed in the Financial Statements and as set forth on Schedule 4.05(b).

4.06. Tax Matters.

(a) The Company has timely filed or caused to be timely filed all Tax Returns that are or were required to be filed by the Company pursuant to applicable Law. All Tax Returns filed by the Company are true, correct and complete in all material respects and were prepared in compliance with all applicable Laws. The Company has paid all Taxes owed by the Company (whether or not shown on any Tax Returns), except such Taxes, if any, which are not yet delinquent. The Company is not currently the beneficiary of any extension of time within which to file any income Tax Return. The Company has received no written claim made by any Governmental Entity in a jurisdiction where the Company does not file Tax Returns asserting that the Company is or may be subject to taxation by that jurisdiction. There are no Encumbrances for Taxes (other than for Taxes not yet due and payable) upon any of the Assets of the Company.

(b) The Company has delivered or made available to the Purchaser copies of all Tax Returns filed by the Company and any audit materials, examination reports and statements of deficiencies with respect to Taxes of the Company, in each case, received by the Company or the Seller from a Governmental Entity, with respect to all tax years of the Company from inception. Neither the Seller nor the Company has received written notice from a Governmental Entity indicating that such Governmental Entity intends to assess any additional Taxes against the Company for any period for which Tax Returns have been filed. There are no pending audits, assessments, disputes or claims concerning any Taxes of the Company. The Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency, in each case, that are either in force or outstanding. Schedule 4.06(b) sets forth all of the jurisdictions where the Company files Tax Returns.

(c) There is no Tax sharing agreement, Tax allocation agreement, Tax indemnity obligation or similar Contract with respect to Taxes (including any advance pricing agreement, closing agreement or other arrangement relating to Taxes) that shall require any payment by the Company after the Closing Date (other than customary commercial agreements the primary subject of which is not Taxes).

(d) The Company has never been a member of an affiliated group filing a consolidated federal income Tax Return or any similar group for federal, state, local or foreign Tax purposes. The Company has no Liability for Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by Contract or otherwise (other than customary commercial agreements the primary subject of which is not Taxes).

(e) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any similar provision of state, local or foreign Law) executed on or prior to the Closing Date, (iii) installment sale or open transaction disposition made on or prior to the Closing Date, (iv) prepaid income received on or prior to the Closing Date, (v) method of accounting that defers recognition of income to any period ending after the Closing Date, or (vi) election under Section 108(i) of the Code.

(f) The Company has timely withheld and paid all amounts of Taxes required by Law to have been withheld and paid by it (i) in connection with any amounts paid as compensation by the Company to its employees and independent contractors (including distributors) and (ii) to its members, creditors, holders of securities or other third parties. The Company has complied with all information reporting and backup withholding requirements of Law in all material respects.

(g) The Company is not the subject of any private ruling from a taxing authority or Contract with a taxing authority.

(h) The Company has not: (i) taken a reporting position on a Tax Return that, if not sustained, would give rise to a penalty for substantial understatement of federal income Tax under Section 6662 of the Code (or any similar provision of state, local or foreign Law); or (ii) entered into any transaction identified as a (x) "listed transaction," within the meaning of Treasury Regulations Section 1.6011-4(b)(2), (y) a "transaction of interest," within the meaning of Treasury Regulations Section 1.6011-4(b)(6), or (z) any transaction that is "substantially similar" (within the meaning of Treasury Regulations Section 1.6011-4(c)(4)) to a "listed transaction" or "transaction of interest."

(i) The Company and each Subsidiary is, and at all times since its formation has been, and will be at all times through the Closing, properly classified as either a partnership or an entity disregarded as separate from its owner for U.S. federal income Tax purposes.

4.07. Absence of Certain Changes. Since June 30, 2018 there has not occurred any event, change or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 4.07, since June 30, 2018 there has not been any:

(a) damage or destruction affecting any portion of the material Assets or properties of the Company;

(b) change in the Company's accounting policies, procedures or methodologies;

(c) sale or transfer of any tangible or intangible Asset of the Company, except in the Ordinary Course of Business;

(d) mortgage, pledge or imposition of any Encumbrances (except for Permitted Encumbrances) on any Asset of the Company;

(e) declaration or payment of any dividend or distribution in respect of any Equity Securities of the Company or, directly or indirectly, any purchase, redemption, issuance, or other acquisition or disposition by the Company of any of their respective Equity Securities;

(f) increase in the salary, benefits or other compensation payable to any of the employees or consultants or officers or directors of the Company, or commitment to pay any bonus or other additional salary, benefits or compensation to any of the employees or consultants or officers or directors of the Company, or any entry into, grant, adoption, amendment or termination of any Employee Plan in any manner, except as otherwise required by Law;

(g) incurrence of any capital expenditure, obligation or other liability in connection therewith by the Company other than in the Ordinary Course of Business not in excess of $25,000;

(h) acquisition by the Company of a Person (including by merger, consolidation or stock purchase), or any acquisition of a substantial portion of the Assets of any business of any other Person;

(i) discharge or satisfaction by the Company of any material Encumbrance or material liability, other than Liabilities discharged or satisfied in the Ordinary Course of Business;

(j) amendment to the Governing Documents of the Company;

(k) incurrence, assumption or prepayment of any Debt by the Company, including long term Debt or the issuance of any debt securities;

(l) assumption, guarantee, endorsement or otherwise becoming liable or responsible, whether directly, contingently or otherwise, by the Company for the Debt of any other Person;

(m) making of any loans, advances or capital contributions to or investments in any other Person by the Company;

(n) entry into, amendment or termination of, or waiver of any rights under, any Material Contract;

(o) initiation, settlement or compromise by or against the Company of any pending or threatened Proceeding;

(p) making, changing or rescinding by the Company of any election relating to Taxes, settlement or compromise by the Company of any claim, action, suit, litigation, Proceeding, arbitration, investigation, or audit controversy relating to Taxes, consent by the Company to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes, filing by the Company of any Tax Return, amendment of any Tax Return by the Company or making by the Company of any change to any of its respective methods of accounting in respect of Taxes;

(q) excess sales of inventory or return privileges granted to any customer of the Company with respect thereto (whether explicitly or through favorable concessions granted to the customer); or

(r) agreement or commitment entered into by the Company to do any act described in clauses (a) through (q) above.

4.08. Owned Real Property. The Company does not own, nor has ever owned, any real property or any interest therein (other than its lease interest in any Leased Real Property as set forth in Schedule 4.09(a)).

4.09. Leased Real Property.

(a) Schedule 4.09(a) identifies all real property leased or subleased or used by the Company as of the date hereof, including the landlord's name (the "***Leased Real Property***"). All Leased Real Property is leased to the Company, pursuant to written leases, true, correct and complete copies of which have been previously delivered to the Purchaser (collectively the "***Real Property Leases***"). The Company has a valid leasehold interest in the Leased Real Property, free and clear of all Encumbrances. Other than as set forth in Schedule 4.09(a), the Company has not subleased any Leased Real Property and the Leased Real Property is not otherwise subject to any third-party licenses, concessions, leases or tenancies of any kind. The Real Property Leases are in full force and effect and there are no other amendments, agreements or understandings relating to the Real Property Leases. All rent, additional rent and other charges due under the Real Property Leases were paid in full through the end of the month applicable to the Closing Date. There are no material defaults on the part of the Company or the landlord under the Real Property Leases. The Company has performed all of its obligations to be performed under the Real Property Leases. To the Knowledge of the Company, there are no claims by any landlord against the Company under the Real Property Leases. There are no rent concessions, abatements, or contributions owed to the Company under any Real Property Leases.

(b) Except as set forth on Schedule 4.09(b), the Company has not received written notice that the use or occupancy of the Leased Real Property violates in any material respect any covenants, conditions or restrictions that encumber such property, or that any such property is subject to any restriction for which any material permits necessary to the current use thereof have not been obtained.

(c) There are no pending or threatened condemnation Proceedings with respect to any portion of the Leased Real Property. There are no actual or threatened or imminent changes in the present zoning of any Leased Real Property or any part thereof or any restrictions, limitations or regulations issued, or proposed or under consideration by any Governmental Entity having or asserting jurisdiction over the Leased Real Property.

4.10. Assets. The Company has good and marketable title (or valid, binding and enforceable leasehold interest with respect to leased Assets) to all properties and Assets used in its business, free and clear of all Encumbrances, except for Permitted Encumbrances listed on Schedule 4.10. Except as set forth inSchedule 4.10, such tangible Assets are in good operating condition and in a state of good maintenance and repair (ordinary wear and tear excepted) and are suitable for the purposes used. No such tangible Assets are (a) in need of repair or replacement other than as part of routine maintenance consistent with historical practices, or (b) owned, used or shared by the Seller. Such material tangible Assets and properties constitute all of the Assets used in or held for use in the business of the Company and are sufficient for the Purchaser to conduct the business of the Company from and after the Closing Date without interruption and in the Ordinary Course of Business.

4.11. Accounts Receivable. The accounts receivable reflected on the Financial Statements and the accounts receivable arising after the Balance Sheet Date: (a) arose from bona fide sales transactions in the Ordinary Course of Business and are payable in the Ordinary Course of Business on terms consistent with the Company's past practices; (b) are legal, valid and binding obligations of the respective debtors enforceable in accordance with their terms; (c) to the Knowledge of the Company, are not subject to any valid set-off or counterclaim by the debtor; (d) do not represent obligations for goods sold on consignment, on approval or on a sale-or-return basis or subject to any other repurchase or return arrangement; (e) to the Knowledge of the Company, are collectible in full, but in no event later than ninety (90) days of the applicable invoice date thereof, in the Ordinary Course of Business in the aggregate recorded amounts thereof; (f) are not owed by any Affiliate of the Company; and (g) are not the subject of any Proceeding. Except as set forth on Schedule 4.11, the Company has not received any notice from any account debtor regarding any dispute over any of the accounts receivable. None of the accounts receivable constitutes duplicate billings of other accounts receivable. There are no security arrangements or collateral securing the repayment or other satisfaction of the accounts receivable.

4.12. Intellectual Property.

(a) Schedule 4.12(a) sets forth a list of all utility and design patents and patent applications; registered and common law trademarks and service marks; trade names; domain names; registered copyrights; and software (other than commercial-off-the-shelf software licensed on a "click-through" or similar basis for the internal use of the Company) owned by or licensed to the Company pursuant to any Contract and used by the Company in the operation of the Business as presently conducted. The Company owns, free and clear of Encumbrances, or has the right to use pursuant to valid and effective Contracts, all such Intellectual Property, and all software licenses, trade secrets, technical knowledge, know-how and other confidential proprietary information used to conduct the Business (collectively referred to as "***Company Intellectual Property***"). None of the Company Intellectual Property is owned by or licensed to the Company by any Affiliate, officer, director, contractor, or Employee of the Company. The Company Intellectual Property constitutes all Intellectual Property necessary for the continued conduct of the Business of the Company in substantially the same manner as conducted before the date of this Agreement. For each item of Intellectual Property licensed from third parties, Schedule 4.12(a) lists the Contract under which the Company has acquired rights in such Intellectual Property (each, an "***Intellectual Property License***"), including the date, title and parties for each such Intellectual Property License. Each Intellectual Property License is valid and binding on the Company and the applicable licensor in accordance with its terms and is in full force and effect. Neither the Company nor, to the Knowledge of the Company, any other party thereto is in breach of or default under, or has provided or received any notice of breach or default of or any intention to terminate, any Intellectual Property License. No claims are pending or, to the Knowledge of the Company, threatened, and the Company has received no communication alleging that the Company violated any rights relating to Intellectual Property of any third party. To the Knowledge of the Company, no third party is misappropriating, infringing, diluting, or violating any Company rights in Intellectual Property.

(b) Except as set forth on Schedule 4.12(b), to the Knowledge of the Company, neither the Company, nor any Company Product, nor the marketing, distribution, sale or use of any Company Product for its intended purpose, infringes, violates, dilutes or misappropriates any Intellectual Property rights of another Person.

(c) Except as set forth in Schedule 4.12(c), the Company has not made any claim of a violation, infringement, misuse or misappropriation by any Person (including any Employee, former employee or independent contractor of the Company or any of its Subsidiaries) of its rights to, or in connection with, any Company Intellectual Property, and to the Knowledge of the Company, no basis for such a claim exists. Except as set forth in Schedule 4.12(c), neither the Company nor any of its Subsidiaries has entered into any agreement to indemnify any other Person against any charge of infringement of any Intellectual Property, other than indemnification provisions contained in Contracts entered into in the Ordinary Course of Business.

(d) The Company has taken all commercially reasonable measures to maintain and protect the proprietary nature of the Company Intellectual Property, including the signing by all Persons hired by the Company and all of its Subsidiaries of nondisclosure and non-competition agreements, and the signing of valid and binding non-disclosure agreement by all third parties with responsibility for the conception, reduction to practice, authoring or other creation or development of, or having access to, or to whom a disclosure has been made of, know-how, trade secret information or other Company Intellectual Property. Except as set forth in Schedule 4.12(d), the Company has secured valid and binding written assignments from all consultants, contractors and employees and all other Persons who contributed to the conception, reduction to practice, authorship, creation or development of any Company Intellectual Property by or on behalf of the Company or any of its Subsidiaries of all rights to such contributions that the Company or its Subsidiary, as applicable, does not already own by operation of Law.

(e) Except as set forth on Schedule 4.12(e), no Person (other than the Company) has contributed to or participated in the conception and development of Intellectual Property that is necessary to or used by the Company in the operation of the Business.

(f) All Persons who have access to Confidential Information of the Company are as set forth on Schedule 4.12(f).

(g) Neither the Company nor any of its Subsidiaries has granted to any Person an exclusive license or equivalent right with respect to any Company Intellectual Property, or assigned or conveyed to any Person any ownership interest (including joint ownership rights) therein, and no third party owns or holds any such right, license or interest.

(h) Other than as listed on Schedule 4.12(h) or as integrated into third-party software licensed to the Company for its internal use, neither the Company nor any of its Subsidiaries use, and no Company Products use or require the use of, any "open source" code (as defined by the Open Source Initiative) or "Free" code (as defined by the Free Software Foundation).

(i) Except as set forth on Schedule 4.12(i), neither the Company nor any of its Subsidiaries has disclosed or delivered to any escrow agent or any other Person any of the source code relating to any software covered by any Company Intellectual Property, and no other Person has the right, contingent or otherwise, to obtain access to or use any such source code. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time or both) will, or could reasonably be expected to, result in the delivery, license, or disclosure of any such source code to any Person who is not, as of the date of this Agreement, a current Employee.

(j) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not (i) materially alter or impair any rights of the Company in any Intellectual Property used in the Business or owned by the Company, or (ii) result in the Company being obligated to license any Intellectual Property used in the Business or owned by the Company to any other Person, or to pay any royalties or other material amounts, to accelerate the payment of any royalties or any other material amounts, or to offer any discounts to any third party in excess of those payable by, or required to be offered by, the Company in the absence of this Agreement.

(k) The information technology systems owned, leased or licensed by the Company, including the software, firmware, hardware (whether general or special purpose), networks and interfaces (collectively, the "***Company Systems***") are sufficient for the current needs of the Company for its operation of the Business, including as to peak volume capacity and processing ability. In the twelve month period prior to the date of this Agreement, there have been no material failures, breakdowns, or continued substandard performance of any Company Systems which have caused the substantial disruption or interruption in the use of the Company Systems or the operation of the Business of the Company.

(l) With respect to sensitive personally identifiable information, the Company has taken all commercially reasonable steps (including implementing and monitoring compliance with adequate measures with respect to technical and physical security) to ensure that the information is protected against loss and against unauthorized access, use, modification, disclosure or other misuse. To the Knowledge of the Company, there has been no unauthorized access to or other misuse of such information.

4.13. Employee Benefit Plans.

(a) Schedule 4.13(a) contains a list of all Employee Plans. Each Employee Plan is being administered in accordance with its terms and with all applicable Laws, and contributions required to be made under the terms of any of the Employee Plans, if any, as of the date of this Agreement have been timely made. With respect to each Employee Plan, the Company has remained in material compliance with all Tax, annual reporting and other governmental filing requirements under applicable Law, and such Taxes, reports and other filings have, in all material respects, been timely filed with the appropriate Governmental Entity and all notices and disclosures have been timely provided to participants. Each Employee Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS as to its qualified status or may rely upon a prototype opinion letter, and that the trust established in connection with such Employee Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code is so exempt, and no fact or event has occurred that could reasonably be expected to adversely affect the qualified status of any such Employee Plan or the exempt status of any such trust. Neither the Company nor any Subsidiary has any express or implied commitment, whether legally enforceable or not, to (i) create, incur liability with respect to, or cause to exist any Employee Plan (or any plan, program or arrangement which would be an Employee Plan if in effect on the date hereof), (ii) to enter into any Contract or agreement to provide compensation or benefits to any individual, or (iii) to modify, change or terminate any Employee Plan, other than with respect to a modification, change or termination required by ERISA or by the Code.

(b) With respect to each Employee Plan, the Company has furnished to the Purchaser, as applicable: (i) a true and complete copy of each Employee Plan and underlying trust (or, in the case of an unwritten arrangement, a written description of its terms and conditions); (ii) copies of the most recent summary plan description and all summaries of material modifications; (iii) copies of the three (3) most recently filed Form 5500 annual reports and accompanying schedules, if any; (iv) a copy of the most recently received IRS determination letter or opinion letter; (v) copies of the non-discrimination testing results, audited financial statements, actuarial reports, and attorney's responses to an auditor's request for information, if any, for the three (3) most recent plan years; (vi) all material correspondence to or from any Governmental Entity in the past three (3) years relating to any Employee Plan; (vii) all material communications relating to any established or proposed Employee Plan that relates to any material amendments, terminations, increases or decreases in benefits, acceleration of payments or vesting schedules or other events which would result in any liability to the Company or its Subsidiaries; and (viii) all prospectuses prepared in connection with each Employee Plan. The Company has not made any material express or implied proposal, assurance or commitment, to establish, modify, change or terminate any Employee Plan (other than with respect to a modification, change or termination required by ERISA or the Code), or to any Employee or other service provider of the Company regarding any improvement to terms of employment or regarding the increase or improvement in the rate or quantum of remuneration, benefits or other compensation.

(c) (i) No event has occurred and no condition exists that would subject the Company or any ERISA Affiliate, to any Tax, fine, lien, penalty or other liability imposed by ERISA, the Code or other applicable Laws, rules and regulations; (ii) for each Employee Plan with respect to which a Form 5500 has been filed, no material change has occurred with respect to the matters covered by the most recent Form since the date thereof; (iii) no "reportable event" (as such term is defined in ERISA Section 4043), "prohibited transaction" (as such term is defined in ERISA Section 406 and Code Section 4975) or "accumulated funding deficiency" (as such term is defined in ERISA Section 302 and Code Section 412 (whether or not waived)) has occurred with respect to any Employee Plan; (iv) all awards, grants or bonuses made pursuant to any Employee Plan have been, or will be, fully deductible to the Company or its Subsidiaries notwithstanding the provisions of Section 162(m) of the Internal Revenue Code and the regulations promulgated thereunder; and (v) except to the extent limited by applicable Law, each Employee Plan may be amended, terminated or otherwise discontinued after the Closing Date in accordance with its terms without liability to the Company or any Subsidiary (other than ordinary administration expenses).

(d) Full payment has been made of all amounts (other than current outstanding routine claims for benefits) that the Company and any Subsidiary is required to contribute or pay under the terms of any Employee Plan, if any, and all contributions to any Employee Plan that are required or recommended with respect to any period of time prior to the Closing have been made or such amounts have been accrued in accordance with GAAP. There are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations that have not been accounted for by reserves, or otherwise properly footnoted in accordance with GAAP on the Financial Statements.

(e) No Employee Plan is a Multiemployer plan or a pension plan within the meaning of Section 3(2) of ERISA that is subject to Title IV of ERISA or similar minimum funding requirements under applicable foreign Law (each such arrangement being a "***Pension Plan***"), and neither the Company nor any ERISA Affiliate has ever sponsored or contributed to or been required to contribute to a Multiemployer Plan or Pension Plan. No material liability under Title IV of ERISA or similar applicable foreign Law has been incurred by the Company or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a risk to the Company or any ERISA Affiliate of incurring or being subject (whether primarily, jointly or secondarily) to a liability thereunder or to any lien arising under ERISA.

(f) With respect to any Employee Plan, (i) no actions, suits or claims (other than routine claims for benefits in the ordinary course) are pending or threatened and (ii) no facts or circumstances exist that could give rise to any such actions, suits or claims. There are no audits, inquiries or Proceedings pending or to the Knowledge of the Company, threatened by the Internal Revenue Service, the Department of Labor, or any similar Governmental Entity with respect to any Employee Plan.

(g) Except as set forth on Schedule 4.13(g), the Company has not granted any loans or advances in excess of $1,000, or provided any guarantees or financial assistance in excess of $1,000, to any of its officers or directors (past or present), which are currently outstanding. For the avoidance of doubt, this representation does not apply to any loans or advances (if any) which are (or were) made in connection with any Employee Plan which is intended to be qualified under Section 401(a) of the Code.

(h) Except as set out on Schedule 4.13(h), there is no term of employment for any Employee which provides that a change of control (i) shall be a deemed a breach of his or her service or employment contract, or (ii) would entitle the Employee concerned to the vesting or acceleration of any payment or benefit whatsoever or entitle such Employee to be treated as redundant or otherwise dismissed or released from any such obligation.

(i) Except as required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the regulations (including proposed regulations) thereunder and any similar state Law, no Employee Plan provides any post-termination or retiree medical or retiree welfare benefits to any Person.

(j) All "nonqualified deferred compensation plans" (as defined in Section 409A of the Code and the Treasury Regulations promulgated thereunder) of the Company have been operated in material compliance with Section 409A of the Code and all applicable guidance (including the Treasury Regulations) promulgated thereunder. The Company is not a party to, or otherwise obligated under, any Employee Plan that provides for the gross-up of the Tax imposed by Section 409A(a)(1)(B) of the Code.

(k) No payment or benefit provided pursuant to any Employee Plan, including the grant, vesting or exercise of any equity-based award, will or may provide for the deferral of compensation subject to Section 409A of the Code, whether pursuant to the execution and delivery of this Agreement or the consummation of the transactions (either alone or upon the occurrence of any additional or subsequent events) or otherwise. The Company is not a party to, or otherwise obligated under, any Employee Plan that provides for the gross-up of the Tax imposed by Section 409A(a)(1)(B) of the Code. The execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated by this Agreement and the Related Agreements will not (either alone or upon the occurrence of any additional or subsequent events) constitute an event under any Employee Plan or Contract that will or may result in any payment of deferred compensation which will not be in compliance with Section 409A of the Code.

(l) The Company has no employees who are providing services at a location which are subject to the Laws of any jurisdiction outside of the United States.

(m) The execution of this Agreement and the consummation of the transactions contemplated hereby will not (either alone or upon the occurrence of any other event, such as individual's termination of employment) constitute an event under any Employee Plan that will or may result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employee of the Company or any member of the Company's "Controlled Group". There is no Employee Plan, contract, plan or arrangement to which the Company (or any member of its Controlled Group) is a party or by which it is bound, that requires the Company (or any member of the its Controlled Group) to compensate any employee, former employee or any person providing services to the Company (or any member of its Controlled Group) for excise taxes paid pursuant to Code Section 4999.

4.14. Personnel; Labor Relations.

(a) Schedule 4.14 lists the name of each employee of the Company ("***Employee***") and, with respect to each such Employee, his or her: (i) work location; (ii) position; (iii) hire date; (iv) classification (i.e., exempt or non-exempt); (v) rate of compensation (base salary or hourly rate of pay); (vi) bonus (or commission) opportunity; and (vii) visa or green card status.

(b) The Company is not a party to or bound by any collective bargaining or labor contract, voluntary recognition agreement or other binding commitment to any labor union, trade union, works council or employee organization in respect of any of its employees. There are not currently, and in the five (5) years preceding the date hereof there have not been, nor are there now threatened, any: (i) strikes, work stoppages, slowdowns, lockouts or arbitrations; or (ii) employee or union grievances, claims, charges, unfair labor practice charges, grievances or complaints or other labor disputes with respect to the Company. During the five (5) years preceding the date hereof, none of the employees of the Company is or has been represented by any labor union or other employee collective bargaining organization, was a party to, or bound by, any labor or other collective bargaining agreement in connection with such employment or has been subject to or involved in, or threatened, any union elections, petitions or other organizational or recruiting activities, nor are any such labor organizing activities now pending or threatened against the Company.

(c) The Company is in compliance in all material respects with all applicable Laws relating to employment or termination of employment, including those related to wages, hours, compensation, terms and conditions of employment, workplace health and safety, discrimination or harassment, retaliation, human rights, pay equity, notice of termination, classification of workers (i.e., as employees versus independent contractors, or as exempt versus non-exempt employees), immigration, collective bargaining and the payment and withholding of Taxes and other sums as required by the appropriate Governmental Entity. The Company has paid in full to all employees, or adequately accrued for in accordance with GAAP consistently, applied all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees through the pay period preceding the date hereof. Other than as set forth in Schedule 4.14(c), there is no claim with respect to employment or termination of employment, or payment of wages, salary or overtime pay that has been asserted or is now pending or threatened before any Governmental Entity, and no audit or investigation by any Governmental Entity is currently pending or threatened. The Company has no liability, whether direct or indirect, absolute or contingent, including any obligations under any Employee Plans, with respect to any misclassification of a Person performing services as an independent contractor or consultant rather than as an employee. To the Knowledge of the Company, no group of Employees and no key Employee, manager or executive has any current plans to terminate employment in connection with the Closing.

4.15. Environmental Compliance.

(a) To the Knowledge of the Company, the Company is in compliance, in all respects, with all applicable Environmental Laws. The Company does not possess any Environmental Permits for the operation of the Business. There is no Environmental Claim pending or threatened against the Company.

(b) The Company has not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, released or exposed any Person to any Hazardous Substances or owned, used or operated any property or facility (and no such property or facility is contaminated by any Hazardous Substance), so as to give rise to any Environmental Claim.

(c) Without limiting the generality of the foregoing, the Company has no outstanding legal or contractual obligation under any applicable Environmental Law, or any unresolved enforcement action, Liability or other Proceeding pursuant to any Environmental Law, including any outstanding investigation, cleanup, removal, response activity, remediation, or corrective action obligation under any applicable Environmental Law or any outstanding indemnification obligation owed to any third party under any applicable Environmental Law relating to the Leased Real Property, any formerly owned real property, any formerly owned, used or operated property, or any offsite disposal location.

(d) Neither this Agreement nor the consummation of the transactions contemplated hereby will result in any obligations for site investigation or cleanup, or notification to or consent of any Governmental Entity or third parties, pursuant to any of the so-called "transaction-triggered" or "responsible property transfer" Environmental Laws.

(e) To the Knowledge of the Company, there are no current or any abandoned or former underground storage tanks (USTs) located at any real property owned, used or operated by the Company and any such USTs that do exist are in compliance with applicable Environmental Laws.

4.16. Licenses and Permits. Schedule 4.16 sets forth a list of all Licenses and Permits currently held by the Company, and no suspension or cancellation of any of the Licenses and Permits is (a) pending, (b) threatened in writing or (c) to the Knowledge of the Company, threatened orally by a Governmental Entity, or will result due to the consummation of the transaction contemplated by this Agreement. The Company has obtained and maintained, and currently maintains, in full force and effect all Licenses and Permits required to operate the Business as presently conducted in the Ordinary Course of Business and as currently proposed to be conducted, each of which is set forth on Schedule 4.16. The consummation of the transactions contemplated hereby shall not give any Governmental Entity the right to terminate any of the Licenses and Permits or the conduct of the Business or require any amendments, registration, or renewal of any such Licenses and Permits. The Company is in compliance in all material respects with all terms, conditions and requirements of all Licenses and Permits and no Proceeding is pending or threatened relating to the revocation or limitation of any of such Licenses and Permits.

4.17. Insurance. Schedule 4.17 sets forth a list of all policies of title, liability, fire, casualty, business interruption, workers' compensation and all other forms of insurance (including self-insurance arrangements) (collectively, the "***Policies***" and individually, each a "***Policy***") insuring the properties, Assets or other operations of the Company. A true, correct and complete copy of each Policy has been made available to the Purchaser. Each of the Policies is in full force and effect. The Company is not in default under any material provisions of any Policy, and the Company has not received notice of cancellation of any Policy. There is no claim by the Company pending under any Policy as to which coverage has been denied or disputed by the underwriters of any Policy. The Company has not received any notice from or on behalf of any insurance carrier issuing any Policy that insurance rates therefor shall hereafter be materially increased or that there shall hereafter be a cancellation or an increase in a deductible (or a material increase in premiums in order to maintain an existing deductible) or non-renewal of any Policy.

4.18. Payment Card Standards. Except as set forth on Schedule 4.18, the Company and its Subsidiaries have collected, stored, maintained, used, shared and processed Personal Information in accordance with all Applicable Privacy and Data Security Laws and have taken commercially reasonable steps to protect against any anticipated or actual threats or hazards to the security or integrity of Personal Information, and from the loss of Personal Information. To the Knowledge of the Company, the Company's and its Subsidiaries' practices, policies and procedures with regard to payment instrument information are in full compliance with all rules, regulations, standards and guidelines adopted or required (a) by all payment card brands that are accepted as a form of payment by, or whose instrument information is otherwise handled by, the Company, and (b) by the Payment Card Industry Security Standards Council, in either case relating to privacy, data security or the safeguarding, disclosure or handling of payment instrument information, including but not limited to (1) the Payment Card Industry Data Security Standards, (2) the Payment Card Industry's Payment Application Data Security Standard, (3) the Payment Card Industry's PIN Transaction Security requirements, (4) Visa's Cardholder Information Security Program and Payment Application Best Practices, (5) American Express's Data Security Operating Policy, (6) MasterCard's Site Data Protection Program and POS Terminal Security program, and (7) the analogous security programs implemented by other card brands, in each case referenced in this sentence as they may be amended from time to time (collectively referred to herein as the "***PCI Requirements***"). Other than as set forth on Schedule 4.18, to the Knowledge of the Company, neither the Company nor its Subsidiaries have suffered a breach of Personal Information that was required to be reported to a data subject or a data owner or licensee pursuant to any Applicable Privacy and Data Security Laws or any other Applicable Laws. The Company and its Subsidiaries have written agreements with each third party service provider or partner having access to Personal Information requiring compliance with Applicable Privacy and Data Security Laws, including the PCI Requirements to the extent applicable. The Company and its Subsidiaries maintain records of their customers' communications preferences, such as opt-ins and opt-outs for various forms of direct marketing, behavioral advertising, and customer tracking, sufficient for the Company and its Subsidiaries to honor such preferences and comply with all Applicable Privacy and Data Security Laws. The Company and its Subsidiaries are and have always been in compliance with their published privacy policies.

4.19. Contracts and Commitments. Schedule 4.19 contains a list of all of the following Contracts (collectively, the "***Material Contracts***"):

(a) each written employment agreement and consulting agreement currently in effect, along with all bonus, profit-sharing, percentage compensation, deferred compensation, pension, welfare, retirement, stock purchase or stock option plans or other Contracts with or relating to the Personnel of the Company; further, the Company is not party to any employment agreements other than at-will employment agreements;

(b) each Contract currently in effect with a customer representing annual revenues in excess of $50,000;

(c) Contracts currently in effect evidencing any Debt of the Company, including Contracts for the repayment or borrowing of money by the Company, or for a line of credit (including credit card agreements), as well as guarantees of, indemnification for or agreements to acquire any obligations of others, and all security or pledge agreements related thereto;

(d) Contracts currently in effect relating to any joint venture, partnership, strategic alliance or sharing of profits or losses with any Person to which the Company is a party or by which it or any of its Assets is bound;

(e) Contracts currently in effect that evidence or relate to any obligations of the Company with respect to the issuance, sale, repurchase or redemption Equity Securities;

(f) Contracts that relate to any Proceeding involving the Company at any time during the last four years;

(g) Contracts relating to the acquisition or disposition of any Equity Securities, business or product line of any other Person pursuant to which any economic obligations (whether or not contingent) remain outstanding;

(h) Contracts currently in effect that contain covenants limiting the freedom of the Company to compete in any business in any material respect or in any geographic area;

(i) Contracts currently in effect with respect to any Intellectual Property owned or licensed by the Company other than off-the-shelf software licenses;

(j) Contracts currently in effect pursuant to which the Company has granted any exclusive agency, marketing, sales representative relationship or distribution right to any third party;

(k) Contracts currently in effect providing for capital expenditures by the Company in excess of $25,000;

(l) Contracts currently in effect that require the Company to make other payments equal to more than $25,000 in any calendar year;

(m) Contracts currently in effect to which any manufacturers of the Company are party; and

(n) Contracts currently in effect not made in the Ordinary Course of Business.

The Company has made available to the Purchaser true, correct and complete copies of all Material Contracts. All of the Material Contracts are in full force and effect. Neither the Company, nor any other party thereto, has breached any material provision of, or is in material default under the terms of, nor does any condition exist which (with or without due notice or the passage of time, or both), would cause the Company or any other party to be in default under any of the Material Contracts. Except as set forth on Schedule 4.19, the consummation of the transactions contemplated by this Agreement shall not afford any other party the right to terminate any such Material Contract or require notice to or consent of any Person party to a Material Contract, or result in any increase or acceleration of any obligation under any Material Contract or the payment by the Company of any amount under any Material Contract.

4.20. Customers and Suppliers.

(a) Schedule 4.20(a) sets forth a list of the names of the Company's top ten (10) customers for the twelve-month period ended December 31, 2017 and the nine-month period ended September 30, 2018 based on total revenues for such period. Since December 31, 2017, no customer set forth on Schedule 4.20(a) has terminated or adversely modified its relationship with the Company.

(b) Schedule 4.20(b) sets forth a list of the names of the Company's top ten (10) suppliers for the twelve-month period ended December 31, 2017 and the nine-month period ended September 30, 2018 based on the dollar amount of expenditures by the Company for such period. Since December 31, 2017, no supplier set forth on Schedule 4.20(b) has terminated or adversely modified its relationship with the Company.

(c) Since December 31, 2017, there has been no written communication from any customer set forth onSchedule 4.20(a) or any supplier set forth on Schedule 4.20(b) that would lead the Company reasonably to believe that such customer or supplier, as applicable, is planning to terminate or materially reduce or modify the terms of its business relationship with the Company.

4.21. Compliance with Law.

(a) The Company has, since January 1, 2016, complied in all material respects with all Laws applicable to the Business, including but not limited to, as applicable, the Controlled Substances Act and the Laws and regulations of each U.S. state in which it conducts business concerning cannabis.

(b) The Company is in compliance in all material respects with all applicable Laws. The Company is not in default or violation with respect to any order, writ, judgment, award, injunction or decree of any Governmental Entity or arbitrator applicable to it, or any of its Assets. The Company has not received, at any time during the prior four (4) years from the date of this Agreement, any written notice from any Governmental Entity regarding any actual, alleged, or potential violation of, or failure to comply with, any term or requirement of any Law applicable to the Company.

(c) Neither the Company nor any of its managers, directors, officers, equity holders, agents and employees has: (i) used any organizational funds of the Company for unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity, (ii) made any unlawful payments to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or (iii) made or received any other payment prohibited under any applicable Law. Neither the Company, nor any of its managers, directors, officers, equity holders, nor, to the Knowledge of the Company, any of its or their respective agents or employees, is or has been the subject of any investigation, inquiry or enforcement Proceeding by any Governmental Entity regarding any offense or alleged offense under anti-bribery, anti-corruption or anti-fraud legislation in any jurisdiction and no such investigation, inquiry or Proceedings has been threatened.

4.22. Litigation. Except as set forth on Schedule 4.22, (a) there are no Proceedings pending or, to the Knowledge of the Company, threatened by or against the Company or any of its Assets or Personnel (with respect to Personnel, in such individual's capacity as such), (b) there are no unsatisfied judgments of any kind against or in favor of the Company or any of its Assets or Personnel (with respect to Personnel, in such individual's capacity as such), and (c) neither the Company nor any of its Personnel (with respect to Personnel, in such individual's capacity as such) is subject to any outstanding judgment, order, or decree of any court or Governmental Entity. The Company is not currently planning to initiate any Proceeding. Except as set forth on Schedule 4.22, to the Knowledge of the Company, there are no currently existing events, facts or circumstances which could reasonably be expected to form the basis for any Proceeding or order, or decree of any court or Governmental Entity by or against the Company, or any of its Personnel (with respect to Personnel, in such individual's capacity as such).

4.23. Title to and Sufficiency of Assets and Related Matters. The Company has good and marketable title to all of the respective Assets owned by it and reflected on the Financial Statements, free and clear of all Encumbrances (other than Permitted Encumbrances), except as disposed of since June 30, 2018 in the Ordinary Course of Business. The equipment currently used in the Business is in reasonable working order. The Assets and properties owned and leased by the Company comprise all the Assets and properties that are necessary or advisable for the operation of the Business as presently conducted and as presently contemplated to be conducted without restriction, interruption or limitation, other than any restriction or limitation under any applicable Law.

4.24. Broker's and Finder's Fees. No broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or with the transactions contemplated by this Agreement as a result of any actions or commitments of the Company.

4.25. Affiliate Transactions. Except as disclosed on Schedule 4.14 or Schedule 4.25, the Company is not presently a party to any Contract with any owner, equity holder, manager, director, officer or Employee of the Company (or any relative or other Affiliate of such Persons), nor does any of the foregoing have any interest in any of the properties or Assets owned or used by the Company in connection with the operation of the Business. The Company does not provide or cause to be provided any Assets, services, or facilities to any any manager, director, officer, Employee or Affiliate (other than the Company) of the Seller.

4.26. Inventory. All items of inventory reflected on the Financial Statements or acquired after December 31, 2017 and prior to the Closing Date consist of a quality and quantity usable and saleable in the Ordinary Course of Business except for obsolete items and work-in-process goods, all of which have been written off or written down to current fair market value on the Financial Statements or on the accounting records of the Company as of June 30, 2018, as the case may be.

4.27. Product Matters. With respect to the Company Products, the Company does not have any liability, whether based on strict liability, gross negligence, breach of Contract or otherwise, with respect to any product, component or other item designed, manufactured, distributed, assembled, produced, leased or sold by the Company to others, other than standard warranty obligations (to replace, repair, or refund) made by the Company in the Ordinary Course of Business consistent with past practice to the Purchasers of its products. Since January 1, 2016, the Company has not received written notice as to any claim or allegation of any material defect or material failure of any Company Product, of personal injury, death, or property or economic damages, any claim for punitive or exemplary damages, any claim for contribution or indemnification, or any claim for injunctive relief in connection with any Company Product sold or distributed by, or in connection with any service provided by, or based on any error or omission or negligent act in the performance of services by, the Company, and there is no basis for any such claim and no such claim is threatened. Schedule 4.27 completely and correctly describes all such claims since January 1, 2016, together in each case with the date such claim was made, the amount claimed, the disposition or status of such claim (including settlement or judgment amount), and the amount of attorney's fees incurred in connection with such claim. The Company has not had a recall of any Company Products.

4.28. Bank Accounts. Schedule 4.28 sets forth a list of all of the bank accounts, investment accounts, safe deposit boxes, lock boxes and safes held by, or in the name of, the Company, and the names of all managers, directors, officers, employees or other individuals who have access thereto or are authorized to make withdrawals therefrom or dispositions thereof.

4.29. Plans and Designs. True, correct and complete copies of the plans, designs, test reports, other reports, specifications, description and manuals relating to the products and services sold, provided or otherwise distributed by the Company (such products and services, "***Company Products***" and such plans, designs, test reports, other reports, specifications, descriptions and manuals, collectively the "***Product Plans***") have been provided to the Purchaser.

4.30. Privacy.

(a) Schedule 4.30 sets forth a list of all Personal Information held by the Company. The Company undertakes commercially reasonable efforts to adequately secure all Personal Information held by the Company.

(b) The Company has not received any notice of any claims, investigations, or alleged violations of Law with respect to Personal Information possessed by or otherwise subject to the control of the Company, and except as set forth on Schedule 4.30, there are no facts or circumstances which could form the basis for any such violation.

(c) To the Knowledge of the Company, there have been no data breaches involving any Personal Information of any of the Company's customers, suppliers or employees.

4.31. Full Disclosure. No representation, warranty, covenant or agreement made by the Company or the Seller in this Agreement or in any Related Agreements contains any false or misleading statement of a material fact, or omits any material fact required to be stated therein or necessary in order to make the statements therein not false or misleading.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Seller that the statements contained in this Article V are true, correct and complete as of the date hereof.

5.01. Organization; Power. The Purchaser is a limited liability company duly organized, validly existing, and in good standing under the Laws of the State of Delaware and has all requisite limited liability company power and authority to own its properties and Assets and to conduct its business as it is now conducted.

5.02. Title to the Greenlane Interests. The issuance of the Greenlane Interests to the Seller is duly authorized in compliance with the Purchaser's Governing Documents and all applicable securities Laws. Once issued, the Seller shall possess the Greenlane Interests free and clear of all Encumbrances or any restrictions on transfer other than as set forth in the Purchaser's Governing Documents, under the Securities Act, or under applicable state securities Laws.

5.03. Authorization and Validity of Agreement. The Purchaser has all requisite limited liability company power and authority to enter into this Agreement and each of the Related Agreements to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the Related Agreements to which it is a party and the performance of the obligations of the Purchaser hereunder and thereunder have been duly authorized by all necessary limited liability company action of the Purchaser, and no other limited liability company proceedings on the part of the Purchaser are necessary to authorize the execution, delivery or performance of this Agreement and each of the Related Agreements to which it is a party. This Agreement and each of the Related Agreements to which it is a party has been duly executed and delivered by the Purchaser and constitutes the Purchaser's valid and binding obligation, enforceable against the Purchaser in accordance with its terms and conditions, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditor's rights generally or by general principles of equity (whether applied in a Proceeding at Law or equity).

5.04. No Conflict or Violation. The execution, delivery and performance of this Agreement and each of the Related Agreements to which it is a party by the Purchaser does not and shall not: (a) violate or conflict with any provision of its Governing Documents; (b) violate in any material respect any applicable provision of Law; or (c)(i) require any consent or approval or (ii) violate or result in a breach of or constitute (with or without due notice or the passage of time, or both) a default under any judicial consent, order or decree or any Contract to which the Purchaser is a party or by which it or any of its Assets or properties are bound.

5.05. SEC Documents; Financial Statements. The Purchaser has made available to the Seller the Purchaser's initial draft registration statement on Form S-1 that has been submitted to the SEC on a confidential basis, and all amendments thereto (the "***Purchaser SEC Documents***"). The Purchaser agrees to make available to Seller all exhibits to the Purchaser SEC Documents submitted on a confidential basis subsequent to the date hereof that are attached to the Purchaser SEC Documents ("***Requested Confidential Exhibits***") and will promptly make available to the Seller all Requested Confidential Exhibits to any additional Purchaser SEC Documents submitted on a confidential basis prior to the Closing Date. As of their respective dates of submission, none of the Purchaser SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. In no event shall changes to or the contents of subsequently filed amendments to the Purchaser SEC Documents be considered evidence that, or otherwise be the basis for a determination that, the Purchaser SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading. The financial statements of the Purchaser, including the notes thereto, included in the Purchaser SEC Documents (the "***Purchaser Financial Statements***"), complied as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto as of their respective dates, and have been prepared in accordance with GAAP applied on a basis consistent throughout the periods indicated and consistent with each other. The Purchaser Financial Statements fairly present the consolidated financial condition, operating results and cash flow of the Purchaser and its Subsidiaries at the dates and during the periods presented therein (subject, in the case of unaudited statements, to normal, recurring year-end adjustments). There has been no change in the Purchaser accounting policies except as described in the notes to the Purchaser Financial Statements.

5.06. Broker's and Finder's Fees. No broker, finder or other Person is entitled to any commission or finder's fee in connection with this Agreement or the transactions contemplated by this Agreement as a result of any actions or commitments of the Purchaser or its Affiliates.

5.07. Consents and Approvals. No consent, waiver, authorization or approval of any Governmental Entity, or of any other Person, or declaration to or filing or registration with any Governmental Entity, is required in connection with (a) the execution and delivery of this Agreement or any of the Related Agreements by the Purchaser, or any agreement, document or instrument contemplated hereby or thereby by the Purchaser, or (b) the performance by the Purchaser of its obligations hereunder or thereunder, other than the consent and approval of Fifth Third Bank under that Credit Agreement dated October 4, 2017 between Fifth Third Bank and Jacoby & Co. Inc. (the "***Purchaser Required Consent***").

5.08. Independent Investigation. The Purchaser acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, the Purchaser has relied solely upon its own investigation and the express representations and warranties of the Seller and the Company set forth in Articles III and IV of this Agreement (including the related portions) and (b) none of the Seller, the Company, or any other Person has made any representation or warranty as to the Seller, the Company, or this Agreement, except as expressly set forth in Articles III and IV of this Agreement (including the related portions).

ARTICLE VI
INDEMNIFICATION; SURVIVAL

6.01. Indemnification by the Seller.

(a) Subject to the applicable provisions of this Article VI and the last paragraph of this Section 6.01, the Seller shall indemnify and hold harmless the Purchaser and its successors and assigns, members, directors, managers, partners, Personnel, representatives and agents, and those of its Affiliates (including the Company, on and after the Closing Date) (collectively, the "***Purchaser Indemnified Parties***"), from and against any and all Indemnity Losses directly or indirectly arising from:

(i) any misrepresentation or breach of any warranty regarding the Company contained in this Agreement, including, without limitation, as set forth in Article IV;

(ii) (x) any Taxes (or the non-payment thereof) of the Company, for any Pre-Closing Tax Period (including that portion of any Straddle Period ending on the Closing Date, apportioned in accordance with Section 7.04(b)); and (y) any Taxes of any Person imposed on the Company, as transferee or successor, by Contract, pursuant to any Law (including Treasury Regulation Section 1.1502-6 or any analogous or similar state, local or foreign Law or regulation) or otherwise, which Taxes relate to an event or transaction occurring before the Closing;

(iii) any claim based on actual fraud or willful misconduct by or on behalf of the Company arising out of factors or circumstances existing prior to or as of the Closing; and/or

(iv) the matters set forth on Schedule 6.01.

(b) Notwithstanding anything to the contrary contained herein, the Seller shall indemnify the Purchaser Indemnified Parties for any Indemnity Loss arising from:

(i) any misrepresentation or breach of any warranty of the Seller contained in this Agreement or any Related Agreement, including, without limitation, as set forth in Article III;

(ii) any breach or failure to perform by the Seller of the Seller's covenants, obligations or agreements contained in this Agreement or any Related Agreement;

(iii) any Taxes (or non-payment thereof) of the Seller, including the Transfer Taxes under Section 7.03; and/or

(iv) any claim based on actual fraud or willful misconduct by or on behalf of the Seller.

6.02. Indemnification by the Purchaser. The Purchaser shall indemnify and hold harmless the Seller and its successors, assigns, heirs, representatives and agents (collectively, the "***Seller Indemnified Parties***") from and against any and all Indemnity Losses directly or indirectly arising from or relating to (a) any misrepresentation or breach of any warranty of the Purchaser contained in this Agreement, (b) any breach or failure to perform by the Purchaser of any of its covenants or obligations contained in this Agreement or (c) (x) any Taxes (or the non-payment thereof) of the Purchaser, for any Pre-Closing Tax Period; and (y) any Taxes of any Person imposed on the Purchaser, as transferee or successor, by Contract, pursuant to any Law (including Treasury Regulation Section 1.1502-6 or any analogous or similar state, local or foreign Law or regulation) or otherwise, which Taxes relate to an event or transaction occurring before the Closing.

6.03. Indemnification Notice; Litigation Notice.

(a) If a party believes that it has suffered or incurred any Indemnity Loss for which it is entitled to indemnification pursuant to Section 6.01 or Section 6.02 (such party, the "***Claimant***"), such Claimant shall notify, as the case may be, (i) the Purchaser, in the event such Claimant is a Seller Indemnified Party, or (ii) the Seller, in the event such Claimant is a Purchaser Indemnified Party, promptly in writing (x) identifying the party or parties which such Claimant believes has or have an obligation to indemnify (the "***Indemnifying Party***") and (y) describing such Indemnity Loss in reasonable detail, including the amount thereof, if known (or estimated amount as necessary) (such written notice, the "***Indemnification Notice***"). If any Proceeding is instituted by a third party against the Claimant with respect to which the Claimant intends to claim any Liability or expense as an Indemnity Loss under this Article VI (a "***Third Party Claim***"), such Claimant shall promptly notify the Indemnifying Party in writing of such Third Party Claim describing such Indemnity Loss in reasonable detail, including the amount thereof, if known (or estimated amount as necessary) (such written notice, a "***Litigation Notice***"). For the avoidance of doubt, in the event that a Third Party Claim arises prior to the time an Indemnification Notice is issued by a Claimant, the Indemnification Notice and Litigation Notice may be combined into a single notice so long as such notice contains the information required in both an Indemnification Notice and a Litigation Notice. Notwithstanding the foregoing, the failure or delay to notifying the Indemnifying Party of any Indemnity Loss or Third Party Claim shall not affect the Claimant's rights or the Indemnifying Party's obligations hereunder, except to the extent that the Indemnifying Party demonstrates that it was materially and adversely prejudiced thereby.

(b) If a claim is one that is asserted directly by the Claimant against an Indemnifying Party, within thirty (30) calendar days after receipt of the applicable Indemnification Notice, the Indemnifying Party shall, by written notice to the Claimant (a "***Claim Response***"), either concede or deny liability for the claim set forth in such Indemnification Notice. If an Indemnifying Party shall deny liability, in whole or in part, such Claim Response shall be accompanied by a reasonably detailed description of the basis for such denial. If an Indemnifying Party fails to deliver a Claim Response within such thirty (30) calendar day period by 5:00 p.m., Eastern time, on the last day of such period, such Indemnifying Party shall be deemed to have conceded, subject only to the limitations set forth herein, the entire amount of such claim and, subject to the limitations set forth in this Article VI, the Claimant shall be entitled to the entire amount of such Indemnity Loss. If an Indemnifying Party denies liability for a claim, in whole or in part, the Purchaser and the Seller shall attempt to resolve such dispute as promptly as possible. If the Purchaser and the Seller fail to resolve such dispute within thirty (30) calendar days after receipt of the Claim Response corresponding to such dispute, any party may commence appropriate legal Proceedings in order to obtain a final judgment of a court of competent jurisdiction that is not subject to further appeal as provided in Section 10.12.

6.04. Defense of Third Party Claims. Upon receipt of a Litigation Notice, the applicable Indemnifying Party shall have thirty (30) calendar days after receipt of a Litigation Notice to notify the Claimant in writing that it elects to conduct and control any Proceeding with respect to an identifiable claim (the "***Election Notice***") with legal counsel reasonably satisfactory to the applicable Indemnified Parties so long as the Third Party Claim (i) seeks solely money damages (and not injunctive or other equitable relief) and, in the event that the Seller or any of its Affiliates would be the Indemnifying Party, (ii) will have no continuing material adverse effect on the Business or the Company. In the event the Indemnifying Party so assumes the conduct and control of any such Third Party Claim, such assumption of the conduct and control by the Indemnifying Party shall conclusively establish for purposes of this Agreement that all Indemnity Losses incurred by the Indemnified Parties in connection with such Third Party Claim are within the scope of and subject to indemnification hereunder subject to the limitations set forth in this Article VI. If the Indemnifying Party does not give the foregoing Election Notice during such thirty (30) day period, then the Claimant shall have the right (but not the obligation) to defend, contest, settle or compromise such Third Party Claim in the exercise of its reasonable discretion. If the Indemnifying Party timely gives the foregoing Election Notice, then the Indemnifying Party shall have the right to undertake, conduct and control, at the Indemnifying Party's sole reasonable cost and expense, the conduct and settlement of such Third Party Claim, and the Claimant shall cooperate, at the Indemnifying Party's sole reasonable cost and expense, including by providing reasonable access during regular business hours to records and Personnel of the Company, as applicable, to the Indemnifying Party in connection therewith; *provided*, *however*, that (i) the Indemnifying Party shall permit the Claimant to participate in such conduct or settlement through legal counsel chosen by the Claimant, but the fees and expenses of such legal counsel shall be borne solely by the Claimant, and (ii) the Indemnifying Party shall have authority to compromise or settle any such claim without the prior written consent of the Claimant if such compromise or settlement (1) contains an unconditional release from all Liability of the Claimant and its Affiliates with respect to such Third Party Claim, (2) does not result in any Liability to or equitable relief against the Claimant and its Affiliates, (3) would not restrict the future activity of the Claimant or any of its Affiliates and (4) would not result in the admission or finding of a violation of Law by the Claimant or any of its Affiliates.

6.05. Survival.

(a) Claims for indemnification under 6.01(a)(i), 6.01(b)(i), 6.01(b)(ii), and 6.02(a) shall only be valid to the extent that such claims are made prior to the twelve (12) month anniversary of the Closing Date (the "***Survival Period***"). If an Indemnification Notice or Litigation Notice is provided with respect to such claim prior to the expiration of such period, then the applicable representations and/or warranties shall survive only as to such claim until such claim has been fully resolved.

(b) Claims arising under the other provisions of Sections 6.01 and 6.02, including, without limitation, Section 6.01(a)(iv), or from any breach of the Fundamental Representations may be made up to the applicable statute of limitation for such claim, without limitation.

(c) The Purchaser shall use its best efforts to (i) maintain the Policies for the Survival Period or (ii) add the Seller as insureds under Purchaser's existing insurance policies of comparable limits and scope of coverage, and shall cooperate with the Seller in filing any claims thereunder should any such claims require indemnification pursuant to Section 6.01.

6.06. Additional Indemnification Provisions.

(a) The Seller indemnity obligations for Indemnity Losses arising under Sections 6.01(a)(i), 6.01(b)(i) or 6.01(b)(ii), shall not exceed 12.5% of the Greenlane Interests (the "***Indemnification Cap***"); *provided*, *however*, that the Indemnification Cap shall not apply to indemnification for Indemnity Losses the Purchaser Indemnified Party may suffer resulting from, arising out of, relating to, the breach of any of the following (the "***Specified Provisions***"); (i) the Fundamental Representations, (ii) the representations and warranties set forth in Section 4.06 (Tax Matters) or (iii) the covenants of the Seller contained in this Agreement, and no such Indemnity Losses shall be taken into account to determine whether the Indemnification Cap has been exceeded with respect to claims for indemnification not referred to in this proviso.

(b) No Indemnifying Party shall be required to indemnify applicable Indemnified Parties for Indemnity Losses arising under Sections 6.01(a)(i), 6.01(b)(i), or 6.01(b)(ii) as applicable, unless and until, and only to the extent that the aggregate amount of all such Indemnity Losses for which such Indemnified Parties are otherwise entitled to indemnification pursuant to this Article VI exceeds an amount equal to 0.75% of the Greenlane Interests (the "***Basket Amount***"), following which the Indemnified Parties shall be entitled to recover all of their respective Indemnity Losses after the Basket Amount; *provided*, *however*, that the limitations in this Section 6.06(a) shall not apply to Indemnity Losses from claims for indemnification arising out of the Specified Provisions.

(c) For purposes of this Section 6.06, (x) if any obligation to pay a claim for indemnification under this Article VI arises prior to the consummation of an IPO of Purchaser, then the value of the Greenlane Interests for purposes of determining the Indemnification Cap and Basket Amount shall be $9,760,000 and (y) if any claim for indemnification under this Article VI arises on or subsequent to the consummation of an IPO of Purchaser, then the value of the Greenlane Interests for purposes of determining the Indemnification Cap and Basket Amount shall be based upon Purchaser's IPO valuation prior to the beginning of trading.

(d) For purposes of this Article VI, any inaccuracy in or breach of any representation or warranty (and any Indemnity Losses arising therefrom or related thereto) shall be determined without regard to any materiality, "***Material Adverse Effect***" or similar qualification contained in or otherwise applicable to such representation or warranty.

6.07. Special Rule for Fraud. Notwithstanding anything to the contrary contained in this Agreement, in the event of any breach of a representation or warranty by any party hereto that constitutes a criminal, fraudulent, or otherwise intentionally wrongful action or omission, by or on behalf of the Seller, on the one hand, or the Purchaser, on the other hand, then (a) such representation or warranty shall survive indefinitely, and (b) the limitations set forth in Section 6.06, as applicable, shall not apply to any Indemnity Loss that the Purchaser Indemnified Parties with respect to the Seller that committed the fraud or the Seller Indemnified Parties, as the case may be, may suffer, sustain or become subject to, as a result of, arising out of, relating to or in connection with any such breach.

6.08. Sole Remedy. Subject to Section 6.07, the right to indemnification under this Article VI, subject to all of the terms, conditions and limitations hereof, shall constitute the sole and exclusive right and remedy available to any party hereto (or any specified third party) for any actual or threatened breach of this Agreement, and none of the parties hereto shall initiate or maintain any Proceeding against any other party hereto which is directly or indirectly related to any breach or threatened breach of this Agreement, except that any party may pursue legal or equitable relief against any other party for any claim based upon fraud or intentional misconduct by or on behalf of the party that committed such fraud or intentional misconduct. The foregoing shall not limit the rights of a party to seek or obtain injunctive relief based upon the actual breach of any covenant contained herein and/or to enforce each of the covenants contained herein, pursuant to the terms of this Agreement (including pursuant to Section 6.07).

6.09. Determination of Loss Amount. The amount of any and all Indemnity Losses under this Article VI will be (a) determined net of any amounts actually recovered by any Indemnified Party or any of such of Indemnified Party's Affiliate or pursuant to any insurance policy or title insurance policy pursuant to which or under which such Indemnified Party or such Indemnified Party's Affiliates is a party or has rights (collectively, "***Alternative Arrangements***") less any Indemnity Losses incurred in obtaining the amount recovered under such Alternative Arrangements and (b) reduced to take account of any Tax benefit actually realized by the Indemnified Party arising from such Indemnity Losses (determined on a with and without basis).

6.10. Adjustments to Contribution Consideration. Except as required by applicable Law, all indemnification payments under this Article VI shall be treated as an adjustment to the Contribution Consideration for all Tax purposes.

ARTICLE VII
OTHER AGREEMENTS

7.01. Conduct of the Business. Except as may be otherwise expressly contemplated by this Agreement or required by applicable Law, or as the Purchaser may otherwise consent to in writing, from the date hereof until the Closing, the Company shall, and the Seller shall cause the Company to:

(a) conduct its business only in the Ordinary Course of Business; and

(b) maintain and preserve intact its current organization, business and operations and to preserve the rights, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having business relationships with such Person and its Subsidiaries, which shall include, without limitation:

(i) the preservation and maintenance of all of its Licenses and Permits;

(ii) the payment of its Debt, Taxes and other obligations when due;

(iii) the maintenance of the properties and Assets owned, operated or used by it in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;

(iv) the continuance in full force and effect, without modification, of the Policies, except as required by applicable Law;

(v) the maintenance of its books and records in accordance with the Ordinary Course of Business;

(vi) compliance in all material respects with all applicable Laws in respect of employees, workers, independent contractors and consultants;

(vii) the performance of all of its obligations under all Material Contracts relating to or affecting its properties, Assets or Business;

(viii) compliance in all material respects with all applicable Laws; and

(ix) not taking or permitting any action that would cause any of the changes, events or conditions described in Section 4.07 to occur.

7.02. Confidential Information.

(a) The Seller acknowledges and agrees that the Confidential Information of the Company is an Asset that the Purchaser will acquire pursuant to this Agreement. For purposes of this Agreement, "Confidential Information" shall mean the Company's trade secrets, other Intellectual Property and other information regarding the Company, the Business and the other business operations of the Company, which information: (i) was used in the Business and was proprietary to, about or created by the Company (including the Company's Personnel) for use in the Business; (ii) is used in the Business as of the Closing Date and is proprietary to, about or created by the Company (including the Company's Personnel) for use in the Business; (iii) is designated and/or, in fact, treated as confidential by the Company; or (iv) is not generally known by any Persons other than Personnel. The Seller agrees to maintain the confidentiality of, and refrain from using or disclosing to any Person, all Confidential Information, except to the extent disclosure of any such information is required by Law or in connection with any claims, disputes or Proceedings against the Purchaser. Notwithstanding the foregoing, "Confidential Information" shall not include information which: (1) was in the public domain on the date hereof or comes into the public domain other than through the fault or negligence of the Seller; (2) was or is independently developed by the Seller after the Closing Date without making use of any Confidential Information; (3) is required to be disclosed during the course of pursuing or defending indemnification claims (or the matters underlying such indemnification claims) or in connection with any disputes between the Purchaser, on the one hand, and the Seller, on the other hand; or (4) is required to be disclosed pursuant to applicable Laws or regulations or the order of any court or Governmental Entity, provided that the Seller shall first notify the Purchaser and the Company of any such order and afford the Purchaser and/or the Company the opportunity to seek a protective order relating to any such disclosure.

(b) If the Seller or any of its Affiliates (other than the Company) is required by interrogatories, requests for information or documents, subpoenas or similar processes to disclose any Confidential Information, such Person shall provide the Purchaser with prompt prior written notice of such request or requirement so that the Purchaser may seek an appropriate protective order (and if the Purchaser seeks such an order, the Seller will, and will cause the Seller's representatives to, provide such cooperation, at the expense of the Purchaser, as such the Purchaser shall reasonably request). If, in the absence of a protective order, the Seller or the Seller's representative(s) is nonetheless required to disclose Confidential Information, the Seller or representative(s), as the case may be: (i) may, and will cause each of the Seller's representatives to, disclose only that portion of the Confidential Information that they are legally compelled to disclose; and (ii) shall, and shall cause each of the Seller's representatives to, at the request of the Purchaser, use its commercially reasonable efforts, at the expense of the Purchaser, to obtain assurance that confidential treatment will be accorded to such Confidential Information.

7.03. Transfer Taxes. All transfer, documentary, sales, use, stamp, duty, recording, registration, value added and other such similar Taxes and fees (including any penalties, interest and additions to Tax) (collectively, "***Transfer Taxes***") incurred in connection with this Agreement and Related Agreements shall be borne and paid by the Seller. The Seller shall, at its own expense, prepare and timely file any Tax Return or other document required to be filed by it (if any) with respect to such Taxes or fees to the extent permitted by applicable Law; provided, however that the Purchaser shall cooperate with the Seller in the preparation and filing of all such Tax Returns or other applicable documents for or with respect to Transfer Taxes, including timely signing and delivering such Tax Returns and documents as may be necessary or appropriate to file such Tax Returns or establish an exemption from (or otherwise reduce) Transfer Taxes.

7.04. Preparation of Tax Returns; Payment of Taxes.

(a) The Seller shall, at the Seller's expense, prepare, or cause to be prepared, all income Tax Returns with respect to the Company for the Tax period ending on the Closing Date ("***Pre-Closing Income Tax Returns***"). Such Pre-Closing Income Tax Returns shall be prepared in a manner that is consistent with the prior practice of the Company, except as required by applicable Law. At least twenty (20) days prior to filing such Pre-Closing Income Tax Returns (taking into account any extension), the Seller shall submit a copy of such Pre-Closing Income Tax Returns to the Purchaser for the Purchaser's review, comment and approval. The Seller shall revise, or cause to be revised, such Pre-Closing Income Tax Returns to reflect the Purchaser's comments to such Pre-Closing Income Tax Returns, if any, prior to filing each such Pre-Closing Income Tax Return with the applicable Governmental Entity. The Company shall timely pay to the appropriate Governmental Entity the full amount of any Taxes due and payable by the Company with respect to such Pre-Closing Income Tax Returns. The Seller shall pay to the Purchaser no later than five (5) Business Days before the due date of such Pre-Closing Income Tax Return (taking into account any extension) the amount equal to the Taxes payable by the Company with respect to such Pre-Closing Income Tax Return.

(b) The Purchaser shall, at its expense, prepare and timely file, or cause to be prepared and timely filed, (i) all Tax Returns with respect to the Company for any Tax period ending on or prior to the Closing Date but that are required to be filed after the Closing Date (other than Pre-Closing Income Tax Returns, which are governed by Section 7.04(a)), and (ii) any Tax Return required to be filed by the Company for a Straddle Period (a "***Straddle Period Tax Return***"). All such Tax Returns shall be prepared and filed in a manner that is consistent with the prior practice of the Company, except as required by applicable Law. With respect to Taxes of the Company relating to a Straddle Period, the parties agree that the portion of such Tax that relates to the portion of such Straddle Period ending on the Closing Date shall (1) in the case of any Taxes other than Taxes based upon or related to income, receipts, profits, wages, capital, net worth or expenses, be deemed to be the amount of such Tax for the entire Straddle Period *multiplied* by a fraction (A) the numerator of which is the number of days in the portion of the Straddle Period ending on the Closing Date and (B) the denominator of which is the total number of days in the entire Straddle Period, and (2) in the case of any Tax based upon or related to income, receipts, profits, wages, capital, net worth or expenses, be determined as though the taxable year of the Company terminated at the close of business on the Closing Date. The Company shall pay to the Purchaser at least five (5) days before the filing of such Tax Return (taking into account any extension) the portion of the Taxes shown as due on such Tax Return (or, with respect to a Straddle Period Tax Return, the portion of the Taxes shown as due on such Tax Return that relate to the portion of such Straddle Period ending on the Closing Date (as determined pursuant to this Section 7.04(b)).

7.05. Cooperation on Tax Matters.

(a) The parties hereto shall cooperate, and shall cause their respective representatives to cooperate, including by agreeing to furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to Taxes, including access to books and records, as is reasonably necessary in preparing and filing all Tax Returns, in making any election relating to Taxes, in handling audits, examinations, investigations and administrative, court or other Proceedings relating to Taxes, in resolving all disputes, audits and refund claims with respect to Tax Returns and Taxes and in all other relevant Tax matters. Any information obtained by any party or its Affiliates from another party or its Affiliates in connection with any Tax matters to which this Agreement relates shall be kept confidential, except: (i) as may be otherwise necessary (A) in connection with the filing of Tax Returns or an audit or other Proceeding relating to Taxes or as may be otherwise required by applicable Law, (B) to enforce rights under this Agreement or (C) to pursue any claim for refund or contest any proposed Tax assessment; or (ii) for any external disclosure in audited financial statements or regulatory filings which a party reasonably believes is required by applicable Law or stock exchange or similar applicable rules.

(b) Notwithstanding the provisions of Section 7.05(a), and in addition to all other obligations imposed by this Section 7.05, the Seller and the Purchaser agree to give the other party reasonable written notice prior to transferring, destroying or discarding any Files and Records with respect to Tax matters and, if the other party so requests, shall allow the other party to take possession of such Files and Records.

7.06. Tax Contests

(a) The Purchaser or the Company, on the one hand, and the Seller, on the other hand, shall promptly notify each other upon receipt by such party of written notice of any inquiries, claims, assessments, audits, Proceeding or similar events with respect to Taxes or Tax Returns of the Company relating to a Pre-Closing Tax Period (any such inquiry, claim, assessment, audit, Proceeding or similar event, a "***Tax Matter***").

(b) The Purchaser shall have sole control of the conduct of all Tax Matters, including any conduct, control, settlement or compromise thereof; provided, however, that the Purchaser shall not settle or compromise any such Tax Matter without the prior written consent of the Seller (not to be unreasonably withheld, conditioned or delayed).

7.07. Release. Effective as of the Closing, the Seller, on behalf of itself, and the Seller's Affiliates and each of its and their respective heirs, successors and assigns (collectively, the "***Releasing Parties***"), hereby releases, acquits and forever discharges the Company, and any and all of its successors and assigns, together with all their present and former equity holders, directors, managers, officers and employees (collectively, the "***Released Parties***"), from any and all manner of claims, actions, suits, damages, demands and Liabilities whatsoever in Law or equity, whether known or unknown, liquidated or unliquidated, fixed, contingent, direct or indirect, which the Releasing Party ever had, has or may have against any of the Released Parties for, upon, or by reason of any matter, transaction, act, omission or thing whatsoever arising under or in connection with any of the Released Parties, from facts or circumstances existing from the beginning of time to and including the Closing Date, other than obligations arising under this Agreement or any transactions or documents contemplated thereby or executed in connection therewith.

7.08. Employees; Employee Benefits.

(a) The Purchaser may, in its sole and absolute discretion, make offers of employment to such Employees, on such terms and conditions, as the Purchaser shall determine (such Employees who accept the Purchaser's offer of employment are hereinafter collectively referred to as "***Transferred Employees***"). Following the Closing, the Seller shall provide the Purchaser with reasonable cooperation and information in connection with the foregoing.

(b) No agreement, understanding or arrangement entered into by an Employee and the Company prohibits or restricts (or shall prohibit or restrict) an Employee who is subsequently employed by the Purchaser from disclosing Confidential Information of the Company to the Purchaser or its Affiliates after the Closing, or if any such agreements do prohibit or restrict disclosure, the Company hereby releases the Employees from such restrictions so as to allow disclosures to be made to the Purchaser after the Closing.

(c) The Seller and the Company shall be responsible for, and shall jointly and severally indemnify and hold harmless (as set forth in Article VII) the Purchaser from and against, any and all severance, termination, retention, "golden parachute," unemployment compensation or any similar payment or other Liabilities or obligations with respect to any Employee attributable to the termination of their employment with the Company, relating to the period of time that the Company employed any Employee up to the Closing Date, whether pursuant to corporate policy, any benefit plan, or by Law (domestic or foreign and including, but not limited to, any liability under the WARN Act and the provisions of Section 4980B of the Code and Part 6 of the Subtitle B of Title I of ERISA), and whether or not pursuant to individual agreement or commitment or group plan.

(d) The Purchaser shall not assume any obligation or liability for and the Company shall remain responsible for (i) any vested benefits accrued by Transferred Employees, Employees and former employees under any benefit plans, whether or not set forth in any employment agreement with the Company, including, without limitation, under any equity appreciation or stock option plans, (ii) any and all obligations and Liabilities to Employees and former employees of the Company related to any employment or service performed or otherwise, which were incurred or accrued prior to the Closing, including, without limitation, under any benefit plans that the Company is or becomes obligated to provide prior to or after the Closing, including, without limitation, retirement benefits, disability payments and the obligation to provide COBRA continuation coverage to such former employees and their beneficiaries, whether payable prior to or after the Closing, and (iii) severance or any other Liabilities arising or resulting from the consummation of the transactions contemplated by this Agreement or the termination of any Employees in connection therewith under the WARN Act, or any similar United States Law. The Purchaser is not the successor employer of the Company's employees for any purpose and is under no obligation to employ any such employees.

7.09. Non-Competition; Non-Solicitation. Edward Kilduff hereby acknowledges that: (i) in addition to disposing of his indirect beneficial ownership interest in the Company as set forth in this Agreement, he is selling the goodwill of the Company associated with or attributable to the Contributed Interests; (ii) he has contributed to the development of the goodwill of the Company; and (iii) the parties hereto have agreed upon the consideration for the Contributed Interests to specifically include and reflect such sale of goodwill. In consideration of the sale of Edward Kilduff's indirect beneficial ownership in the Company, Edward Kilduff agrees that:

(a) Except as provided in this Section 7.09, during the period commencing at the Closing and up to and through the later of (x) the date arising three (3) years after the Closing Date and (y) the date arising two (2) years after the termination of his employment by the Purchaser or any of its Affiliates, (the "***Restricted Period***"), Edward Kilduff, whether directly or indirectly, shall not, whether for himself or on behalf of or in conjunction with any other Person in any capacity (as a principal, equity holder, joint-venturer, partner, director, officer, agent, executive, consultant, contractor, employee, lender or otherwise) (collectively, the "***Covenanting Party***"):

(i) induce, solicit, hire, recruit or attempt to persuade any Person to terminate such Person's employment or other relationship with the Company, the Purchaser or any of their Affiliates (collectively, "***Company Parties***") or not to establish an employment or other relationship with any Company Party, whether or not such Person is or would be an employee, consultant, contractor, manager, director, officer and/or employee, whether or not such relationship is or would be pursuant to a written or oral agreement and whether or not such relationship is for a specific period of time or is at-will;

(ii) employ or establish a business relationship with (or attempt to employ or establish a business relationship with), or encourage or assist any Person to employ or establish a business relationship with, any individual who is, was at any time within the six (6) month period prior to the date hereof, or will be at any time during the Restricted Period, an employee, consultant, contractor, manager, officer, director or employee of any Company Party;

(iii) direct or engage in any act which may interfere with or materially and adversely affect, alter or change the relationship (contractual or otherwise) of any Company Party with any Person that is a Client, Prospective Client, vendor, supplier or contractor of any Company Party, or otherwise induce or attempt to induce any such Person to cease doing business, reduce or otherwise limit its business with any Company Party;

(iv) solicit business from any Client or Prospective Client, or do business with any Client or Prospective Client, involving the Business or any business that is competitive, directly or indirectly, with the Business; or

(v) engage or participate in, manage, operate, be employed by, consult with, advise, or be financially interested in, any Person engaged in the Business anywhere where any Company Party transacts the Business during the three (3) year period immediately prior to the Closing Date (provided, however, that nothing contained in this Section 7.09 shall prevent Edward Kilduff from holding for passive investment less than five percent (5%) of any class of equity securities of a company whose securities are publicly traded on a national securities exchange or in a national market system).

(b) For purposes of this Section 7.09, "***Client***" means a Person for whom or which any Company Party performed services or to whom or which any Company Party sold or licensed its products, during the prior twelve (12) months. "***Prospective Client***" means Persons whose business was solicited by any Company Party during the prior twelve (12) months.

(c) This Section 7.09 shall not restrict or limit Edward Kilduff from: (i) soliciting or hiring (x) any employee or former employee (1) whose employment or relationship with any Company Party was terminated at least (A) 180 days before such solicitation in the event such employment or relationship was terminated by the applicable Company Party or (B) one year before such solicitation in the event such employment or relationship was terminated by the former employee, or (2) by general solicitations not specifically directed at any such employee; or (ii) performing services for the Purchaser, the Company or any Affiliate thereof pursuant to any employment agreement to be entered into at Closing.

(d) Edward Kilduff acknowledges that the restrictions contained in this Section 7.09 are reasonable and necessary to protect the legitimate interests of the Purchaser and its Affiliates (including the Company) and constitute a material inducement to the Purchaser to enter into this Agreement and the Related Agreements and to consummate the transactions contemplated by this Agreement and the Related Agreements. In the event that any covenant contained in this Section 7.09 should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Laws in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Laws. The covenants contained in this Section 7.09 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

7.10. Remedies. The Seller acknowledges that remedies at Law may be inadequate to protect the Purchaser and the Company against any actual or threatened breach of Section 7.02 and Section 7.09 by the Seller. Without limiting any other rights or remedies available to the Purchaser, the Purchaser will, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to obtain equitable relief from an actual or threatened violation of Section 7.02 and Section 7.09, including specific performance and temporary or permanent injunctive relief. To obtain any such equitable relief, the Purchaser need not post a bond or other security or prove actual damages.

ARTICLE VIII
CONDITIONS TO CLOSING

8.01. Conditions to the Obligations of the Purchaser. The obligation of the Purchaser to contribute the Contribution Consideration is conditioned on the satisfaction of the following conditions on or prior to the Closing Date (any one or more of which can be waived by a written waiver executed by the Seller):

(a) The representations and warranties contained in Article III and Article IV of this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as of the date hereof and as of the Closing Date as though made at and as of the Closing Date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) The Company and the Seller shall have performed and complied in all material respects with their respective covenants and agreements required to be performed, satisfied or complied with by them hereunder on or prior to the Closing Date.

(c) From the date of this Agreement, there shall have been no Material Adverse Effect on the Company.

(d) No Proceeding shall have been instituted or threatened or claim or demand made against the Company, the Seller or the Purchaser seeking to restrain or prohibit, or to obtain damages with respect to, the consummation of the transactions contemplated hereby, and no Law, order, decree or ruling shall be in effect, or shall have been issued, enacted, entered, promulgated or enforced by a Governmental Entity, that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated hereby.

(e) The Company shall have obtained the consents listed on Schedule 4.04;

(f) The Company shall have received executed non-disclosure agreements from each of its members, in a form approved by Purchaser, and, following Purchaser's approval of such non-disclosure agreements and delivery by the Company to Purchaser of the executed non-disclosure agreements, the Company shall have delivered an Information Statement to each of its members, in a form reviewed and approved by Purchaser;

(g) The Purchaser shall have received all of the Closing deliveries set forth in Section 2.02.

(h) The representations and warranties of the Company contained in this Agreement and any Related Agreement shall be true and correct, in all material respects, as of the Closing, with the same force and effect as if made as of the Closing, other than such representations and warranties as are specifically made as of another date, and all the covenants contained in this Agreement and any Related Agreement to be complied with by the Company on or before the Closing Date shall have been complied with, in all material respects, and the Purchaser shall have received a certificate of a duly authorized Person on behalf of the Company to such effect signed by a duly authorized Person thereof.

8.02. Conditions to the Obligations of the Seller and the Company. The obligation of the Seller and the Company to contribute the Contributed Interests is conditioned on the satisfaction of the following conditions on or prior to the Closing Date (any one or more of which can be waived by a written waiver executed by the Seller):

(a) The representations and warranties contained in Article V of this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) as of the date hereof and as of the Closing Date as though made at and as of the Closing Date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) The Purchaser shall have performed and complied in all material respects with the covenants and agreements required to be performed, satisfied or complied with by it hereunder on or prior to the Closing Date.

(c) No Proceeding shall have been instituted or threatened or claim or demand made against the Company, the Seller or the Purchaser seeking to restrain or prohibit, or to obtain damages with respect to, the consummation of the transactions contemplated hereby, and no Law, order, decree or ruling shall be in effect, or shall have been issued, enacted, entered, promulgated or enforced by a Governmental Entity, that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated hereby.

(d) The Purchaser shall have obtained the Purchaser Required Consent;

(e) From the date of this Agreement, there shall have been no Material Adverse Effect on the Purchaser.

(f) The Seller shall have received all of the Closing deliveries set forth in Section 2.03.

(g) The Seller shall have received a certificate of an executive officer or Person with appropriate authority of the Purchaser as to the incumbency and signature of the Persons executing this Agreement and the Related Agreements.

ARTICLE IX
TERMINATION

9.01. Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Closing:

(a) By mutual written consent of the Purchaser and the Seller (on behalf of itself and the Company);

(b) By the Purchaser, if any of the conditions set forth in Section 8.01 shall have become incapable of fulfillment, and shall not have been waived by the Purchaser;

(c) By the Purchaser, if the Closing shall not have occurred prior to the initial public filing of the Purchaser's registration statement on Form S-1 in connection with an IPO by Purchaser;

(d) By the Seller (on behalf of itself and the Company), if any of the conditions set forth in Section 8.02 shall have become incapable of fulfillment, and shall not have been waived by the Company;

(e) By either the Purchaser or the Seller (on behalf of itself and the Company), if (i) any Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated hereby, and such order, decree, ruling or other action shall have become final and non-appealable, or (ii) a Law shall be in effect that makes consummation of the transactions contemplated hereby illegal or otherwise prohibits or prevents consummation of the transactions contemplated hereby;

provided, however, that the party seeking termination pursuant to any of clauses (b) through (d) is not then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement.

9.02. Effect of Termination. In the event of termination by the Seller or the Purchaser pursuant to this Article IX, written notice thereof shall forthwith be given to the other and the transactions contemplated by this Agreement shall be terminated, without further action by any party. Termination of this Agreement pursuant to this Article IX shall terminate all Liabilities and obligations of the parties and there shall be no Liability hereunder on the part of any party, except that Section 7.02, this Article IX and Article X shall survive any termination of this Agreement. Notwithstanding the foregoing, the termination of this Agreement pursuant to this Article IX shall not relieve any party of any Liability for any intentional inaccuracy or breach of any representation or warranty or any intentional breach or nonperformance of any covenant or obligation hereunder prior to such termination and any Indemnity Losses in connection therewith, and any such termination shall not be deemed to be a waiver of any available remedy for any such intentional inaccuracy, breach or nonperformance.

ARTICLE X
MISCELLANEOUS

10.01. Public Announcements. No party to this Agreement, other than the Purchaser, shall make any public announcement of the transactions provided for in, or contemplated by, this Agreement or any of the Related Agreements unless the form and substance of the announcement is agreed upon by the Purchaser at the Purchaser's sole, absolute and unfettered discretion, or unless public disclosure is necessary to comply with applicable Laws, provided the Person required to make such disclosure gives the Purchaser reasonable prior notice thereof and cooperates in good faith with the Purchaser's efforts to prevent or limit such disclosure, and shall then only make such disclosure as is necessary to comply with the applicable Laws, as so modified, if at all, by the Purchaser. The Purchaser shall not make any public announcement prior to the Closing Date without the prior consent of the Seller, which consent shall not be unreasonably withheld, conditioned or delayed. The Purchaser may make any public announcement at any time following the Closing Date.

10.02. Costs and Expenses. The Purchaser shall at its sole cost and expense bear all expenses and costs incurred by the parties herein in connection with this Agreement and the Related Agreements and the transactions contemplated by any of them, including the fees and disbursements of any legal counsel, independent accountants or any other Person or representative whose services have been used by the parties.

10.03. Further Assurances. From and after the date of this Agreement, the parties shall cooperate reasonably with each other in connection with any steps required to be taken as part of their respective obligations under this Agreement or any of the Related Agreements, and shall: (a) furnish upon request to each other such further information, (b) execute and deliver to each other such other documents, and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of transactions contemplated by this Agreement and the Related Agreements.

10.04. Addresses for Notices, Etc.. All notices, requests, demands and other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, and delivery shall be deemed sufficient in all respects and to have been duly given, as follows: (a) on the actual date of service if delivered personally, (b) at the time of receipt of confirmation by the transmitting party if by electronic transmission, (c) at the time of receipt if given by electronic mail to the e-mail addresses set forth in this Section 10.04, *provided* that a party sending notice by electronic delivery shall bear the burden of authentication and of proving transmittal, receipt and time of receipt, or (d) on the day after delivery to a nationally recognized overnight courier service during its business hours or the Express Mail service maintained by the United States Postal Service during its business hours for overnight delivery against receipt, and properly addressed as set forth in this Section 10.04:

If to the Seller or the Company (prior to the Closing Date):	Edward Kilduff Pollen Gear LLC 601 Cypress Ave., No. 405 Hermosa Beach, CA 90254 E-mail: edkilduff@mac.com
With a copy to (which copy shall not constitute notice hereunder):	Foundation Law Group LLP 445 S. Figueroa Street, Suite 3100 Los Angeles, CA 90071 Attn: Armen S. Martin E-mail: armen@foundationlaw.com

If to the Purchaser:	Greenlane Holdings, LLC 1095 Broken Sound Parkway, Suite 300 Boca Raton, FL 33487 Attn: Aaron LoCascio E-mail: aaron@gnln.com
With a copy to (which copy shall not constitute notice hereunder):	Pryor Cashman LLP 7 Times Square New York, NY 10036 Attn: Jeffrey C. Johnson Facsimile: (212) 326-0118 E-mail: jjohnson@pryorcashman.com

Any party may change its address or other contact information for notice by giving notice to each other party in accordance with the terms of this Section 10.04.

10.05. Headings. The Article, Section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

10.06. Construction.

(a) The parties have participated jointly in the negotiation and drafting of this Agreement and the Related Agreements, and, in the event of an ambiguity or a question of intent or a need for interpretation arises, this Agreement and the Related Agreements shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement or any of the Related Agreements.

(b) Except as otherwise specifically provided in this Agreement or any of the Related Agreements (such as by use of the words "sole", "absolute discretion", "complete discretion" or words of similar import), if any provision of this Agreement or any of the Related Agreements requires or provides for the consent, waiver or approval of a party, such consent, waiver or approval shall not be unreasonably withheld, conditioned or delayed.

(c) The Disclosure Schedules referred to herein shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

(d) Words of any gender used in this Agreement or any of the Related Agreements shall be held and construed to include any other gender; words in the singular shall be held to include the plural and words in the plural shall be held to include the singular, unless and only to the extent the context indicates otherwise.

(e) "Hereunder," "hereof," "hereto," "herein," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof.

(f) "Including" (and with correlative meaning "includes" or "include") means including without limiting the generality of any description preceding such term.

(g) References to documents, instruments or agreements shall be deemed to refer as well to all addenda, appendices, Exhibits, Schedules or amendments thereto.

10.07. Severability. The invalidity or unenforceability of any provision of this Agreement or any of the Related Agreements shall in no way affect the validity or enforceability of any other provision of this Agreement or any of the Related Agreements. Wherever possible, each provision hereof shall be interpreted in such a manner as to be effective and valid under applicable Law. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability, without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

10.08. Entire Agreement and Amendment. This Agreement and the Related Agreements, including the Exhibits and Schedules referred to and incorporated by reference herein and therein that form a part of this Agreement and the Related Agreements, contain the entire understanding of the parties with respect to the subject matter of this Agreement and the Related Agreements. This Agreement and the Related Agreements supersede all prior agreements and understandings among the parties hereto with respect to the transactions contemplated by this Agreement and the Related Agreements, including any and all letters of intent, memoranda of understanding, term sheets or the like. This Agreement may not be amended, supplemented or otherwise modified except by a written agreement executed by each of the Purchaser and the Seller, and any such amendment, supplement or modification set forth in such executed written agreement shall be binding on all of the parties hereto.

10.09. No Waiver; Cumulative Remedies. Except as specifically set forth herein, the rights and remedies of the parties to this Agreement are cumulative and not alternative. No failure or delay on the part of any party in exercising any right, power or remedy under this Agreement or any of the Related Agreements shall operate as a waiver of such right, power or remedy, and no single or partial exercise of any such right, power or remedy shall preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy. To the maximum extent permitted by applicable Law: (a) no claim or right arising out of this Agreement or any of the Related Agreements can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party, (b) no waiver that may be given by a party shall be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one party shall be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or any of the Related Agreements.

10.10. Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than the Purchaser and the Seller and their respective successors and permitted assigns and the Purchaser Indemnified Parties and the Seller Indemnified Parties under Article VI; *provided*, *however*, that the Company shall be a third party beneficiary of the covenants and agreements set forth inSections 7.02 and 7.10.

10.11. Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and permitted assigns. The Seller shall not assign or delegate the Seller's rights or duties hereunder or under any of the Related Agreements, in whole or in part, without the prior written consent of the Purchaser. The Seller hereby consents to the Purchaser's assignment of this Agreement and the rights hereunder to its Affiliates and to the collateral assignment of the Purchaser's rights under this Agreement and the Related Agreements to lenders of the Purchaser or its Affiliates. Any purported assignment made in contravention of this Section 10.11 shall be null and void.

10.12. Governing Law; Jurisdiction and Venue. This Agreement, and all claims or causes of action (whether at Law, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice or conflict of Law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. Each of the parties hereto irrevocably (a) consents to submit itself to the personal jurisdiction of the United States District Court for the District of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, and, in connection with any such matter, to service of process by notice as otherwise provided herein, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than in the United States District Court for the District of Delaware. Any party may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 10.04.

10.13. Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON LAW, CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

10.14. Counterparts. This Agreement may be executed in multiple original, electronic or facsimile counterparts, each of which will be deemed an original, but all of which when taken together shall constitute one and the same agreement.

10.15. Privileged and Confidential Information. In order to induce the Seller to contribute the Contributed Interests and to enter into this Agreement, and as a material part of the consideration for this transaction, the Purchaser agrees that the attorney-client privilege with respect to communications between the Company and Foundation Law Group LLP ("***Counsel***") prior to Closing, and any work product of Counsel relating to the contribution of the Contributed Interests and any and all matters up to and including the Closing (collectively, "***Privileged Information***") shall be deemed the Seller's and not the Company's privilege, and such work product shall be deemed to have been prepared on behalf of the Seller and not for the Company for purposes of any dispute that may arise between (i) the Seller and (ii) the Purchaser and/or the Company. The Purchaser further knowingly and irrevocably agrees to waive and to cause the Company to waive any claim that Counsel is disqualified from representing, and agrees that Counsel may represent, the Seller (and may not represent the Company or the Purchaser) in any such dispute. For purposes of this paragraph, the term also includes the Company's predecessors and successors. All such Privileged Information, whether expressly so labeled or not, shall be delivered to the Seller at the Closing, and to the extent not so delivered shall be deemed to be held in trust by the Company and the Purchaser for the Seller's sole and exclusive benefit. In addition, all Company documents and communications regarding this Agreement, the subject matter hereof and all transactions related thereto that are not delivered by the Seller or the Company to the Purchaser or any other prospective buyer shall be deemed to be confidential information and the sole and exclusive property of the Seller ("***Seller Confidential Information***"). Seller Confidential Information shall be delivered to the Seller at Closing and, to the extent not so delivered, shall be deemed to be held in trust by the Company and the Purchaser for the Seller's sole and exclusive benefit. After Closing, Seller Confidential Information shall not be used by the Purchaser or the Company for any purpose detrimental to the Seller. The Purchaser and the Company acknowledge that the restrictions contained in this Section 10.15 are reasonable and necessary in order to protect the Seller's legitimate interests and that any violation thereof would result in irreparable injury to the Seller. The Purchaser and the Company therefore acknowledge and agree that, in the event of any violation thereof, the Seller shall be authorized and entitled to obtain, from any court of competent jurisdiction, preliminary and permanent injunctive relief as well as an equitable accounting of all profits or benefits arising out of such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Seller may be entitled. By way of clarification and not limitation, the terms and conditions of this Section 10.15 shall survive the Closing.

[Signatures Begin on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Contribution Agreement to be executed as of the date first written above.

PURCHASER

GREENLANE HOLDINGS, LLC
By: Jacoby & Co. Inc.
Its: Managing Member

By: /s/ Aaron LoCascio
Aaron LoCascio
Co-President

By: /s/ Adam Schoenfeld
Adam Schoenfeld
Co-President

COMPANY

POLLEN GEAR LLC

By: /s/ Edward Kilduff
Edward Kilduff
Manager

SELLER

POLLEN GEAR HOLDINGS LLC

By: /s/ Edward Kilduff
Edward Kilduff
Manager

EXHIBIT A

Definitions

As used in this Agreement, the following terms have the meanings indicated below:

"***Affiliate***" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person, as the case may be. As used in this definition, "control" (including, its correlative meanings "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of ten percent (10%) or more of outstanding voting securities or partnership or other ownership interests, by Contract or otherwise).

"***Applicable Privacy and Data Security Laws***" means (a) all privacy, security, data collection, data protection, data sharing, direct marketing, consumer protection, location tracking, customer tracking, behavioral marketing, and workplace privacy Laws, rules and regulations of any applicable jurisdiction and all then-current industry standards, guidelines and practices with respect to privacy, security, data protection, data sharing, direct marketing, consumer protection, location tracking, customer tracking, behavioral marketing, and workplace privacy, including the collection, processing, storage, protection and disclosure of Personal Information, and (b) the applicable data security and privacy policies of the Company and its Subsidiaries.

"***Assets***" means all properties, assets and rights of every kind, nature and description whatsoever whether tangible or intangible, real, personal or mixed, wherever located, (including cash, cash equivalents, accounts receivable, inventory, equipment, improvements, Intellectual Property, Contracts, real estate, claims and defenses).

"***Balance Sheet Date***" has the meaning set forth in Section 4.05(a).

"***Basket Amount***" has the meaning set forth in Section 6.06(b).

"***Business***" means the sale and distribution of custom glass, child-resistant jars and other similar accessories for the storage of smoking/consumption products.

"***Business Day***" means any day other than Saturday, Sunday and any day on which commercial banks in the State of New York are authorized by Law to be closed.

"***Claim Response***" has the meaning set forth in Section 6.03(b).

"***Claimant***" has the meaning set forth in Section 6.03(a).

"***Closing***" has the meaning set forth in Section 2.01.

"***Closing Date***" has the meaning set forth in Section 2.01.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Company***" has the meaning set forth in the Preamble.

"***Company Intellectual Property***" has the meaning set forth in Section 4.12(a).

"***Company Products***" has the meaning set forth in Section 4.29.

"***Company Systems***" has the meaning set forth in Section 4.12(k).

"***Confidential Information***" has the meaning set forth in Section 7.02(a).

"***Contract***" means any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sale contract, mortgage, license, franchise, insurance policy, commitment or other arrangement or agreement, whether written or oral.

"***Contributed Interests***" has the meaning set forth in the Recitals.

"***Contribution Consideration***" has the meaning set forth in Section 1.02.

"***Convertible Notes***" means the convertible notes of the Company set forth on Schedule 4.02(a).

"***Counsel***" has the meaning set forth in Section 10.15.

"***Debt***" means, with respect to any Person: (a) all indebtedness of such Person for borrowed money, amounts payable under debt or like instruments, including outstanding promissory notes or letter of credit facilities and any principal, interest, overdrafts, premiums, make whole premiums or payments, fees and prepayment, termination and other penalties and expenses with respect to the foregoing; (b) for the reimbursement of amounts drawn on any letter of credit and in respect of bankers' acceptances or similar transactions; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or Assets purchased by such Person; (d) all obligations of such Person issued or assumed as the deferred purchase price of property, goods or services (including earn outs but excluding trade payables or accruals incurred in the Ordinary Course of Business); (e) all indebtedness of any other Person with respect to borrowed money, notes payable or amounts outstanding under letter of credit facilities, which amounts are secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property or Assets owned by such Person, whether or not the obligations secured thereby have been assumed; (f) all guarantees, whether direct or indirect, by such Person of indebtedness of any other Person with respect to borrowed money, notes payable or amounts outstanding under letter of credit facilities; (g) all capital lease obligations that have or should have been capitalized in accordance with GAAP; (h) customer deposits and sums received in advance from customers; (i) all amounts owed by such Person to any Person under any noncompetition, bonus, and severance agreements or retirement and termination arrangements (to the extent any amounts owed pursuant to such agreements or arrangements do not become payable as a result of any action taken by the Purchaser or any of its Affiliates post-Closing), consulting or deferred compensation arrangements arising in connection with a transaction not in the Ordinary Course of Business, (including the transaction contemplated under this Agreement); (j) any Company credit card balances that are unrelated to the Business; and (k) all negative cash and obligations arising from cash/book overdrafts. For the avoidance of doubt, all of the Company's debt obligations to the Seller or other equityholder of the Company shall be considered Debt of the Company.

"***Disclosure Schedules***" has the meaning set forth in Article IV.

"***Election Notice***" has the meaning set forth in Section 6.04.

"***Employee Plans***" means any "employee benefit plan" as defined in Section 3(3) of ERISA (whether or not subject to ERISA) and each other plan, policy, program, practice, agreement, understanding or arrangement (whether written or oral) providing compensation or other benefits to any current or former director, manager, officer, employee or consultant (or to any dependent or beneficiary thereof) of the Company or any ERISA Affiliate of the Company, which is now, or was maintained, sponsored or contributed to by the Company or any ERISA Affiliate of the Company, or under which the Company or any ERISA Affiliate of the Company has or may have any obligation or liability, whether actual or contingent, including all incentive, bonus, deferred compensation, change in control, employment, severance, retirement, vacation, holiday, cafeteria, fringe benefit, medical, disability, stock purchase, sick leave, option, stock appreciation, phantom stock, restricted stock or other stock-based compensation plans, policies, programs, practices or arrangements.

"***Employment Agreements***" has the meaning set forth in Section 2.02(m).

"***Encumbrance***" means all liens (statutory or other), leases, mortgages, pledges, security interests, conditional sales agreements, charges, claims, options, easements, rights of way (other than easements of record) and other encumbrances of any kind or nature whatsoever.

"***Environmental Claim***" means any and all administrative, regulatory or judicial actions, suits or Proceedings as well as any actions, suits or Proceedings initiated by a third party, public or private, alleging liability arising out of or resulting from: (a) the presence or Release into the environment of any Hazardous Substance at the real property that is within the Company's possession, use or control; or (b) any violation or alleged violation of Environmental Law.

"***Environmental Laws***" means all federal, state or local statutes, Laws, regulations, judgments and orders relating to protection of human health or the environment, including Laws and regulations relating to Releases or threatened Releases of Hazardous Substances, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

"***Environmental Permits***" means all Licenses and Permits issued pursuant to Environmental Law.

"***Equity Securities***" means, with respect to a Person that is an entity, any shares of capital stock, limited liability company interests, options, warrants, phantom equity, convertible notes or other convertible debt instruments or other equity securities of such Person which have ever been offered or sold by such Person.

"***ERISA***" means the Employee Retirement Income Security Act of 1974 and the rules of regulations promulgated thereunder from time to time.

"***ERISA Affiliate***" means any Person that, together with the Company, is required to be treated as a single employer under Section 414 of the Code.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Files and Records***" means all financial and accounting files, records and other information of the Company.

"***Financial Statements***" has the meaning set forth in Section 4.05(a).

"***Fundamental Representation***" means any representation or warranty set forth in Section 3.01 (Organization; Power; Capacity), Section 3.02 (Authorization and Validity of Agreement), Section 3.03 (Title to the Contributed Interests), Section 4.01 (Organization; Power), Section 4.02 (Capitalization), Section 5.01 (Organization; Power), Section 5.02 (Title to the Greenlane Interests), and Section 5.03 (Authorization and Validity of Agreement).

"***GAAP***" means the prevailing generally accepted accounting principles in the United States, in effect from time to time, consistently applied with past practices of the Company.

"***Governing Documents***" means, with respect to any particular entity: (a) if a corporation, the articles or certificate of incorporation and the bylaws of such entity; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles or certificate of organization or formation and the limited liability company operating agreement; (e) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equity holders of any Person; and (g) any amendment, restatement or supplement to any of the foregoing.

"***Governmental Entity***" means any court, government agency, department, commission, board, bureau or instrumentality of the United States, any local, county, state, federal or political subdivision thereof, or any foreign governmental entity of any kind.

"***Greenlane Interests***" has the meaning set forth in Section 1.02.

"***Greenlane Operating Agreement***" has the meaning set forth in Section 2.02(b).

"***Hazardous Substances***" means any chemicals, materials or substances which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or similar terms under, or otherwise regulated under, any Environmental Law.

"***Indemnification Cap***" has the meaning set forth in Section 6.06(a).

"***Indemnification Notice***" has the meaning set forth in Section 6.03(a).

"***Indemnified Parties***" means the Purchaser Indemnified Parties or the Seller Indemnified Parties, as the context requires.

"***Indemnifying Party***" has the meaning set forth in Section 6.03(a).

"***Indemnity Loss***" means, net of any applicable insurance proceeds, actual damages, losses, obligations, Liabilities, Taxes, deficiencies, claims, Encumbrances, penalties, costs, disbursements and expenses, including reasonable costs of investigation and defense and reasonable attorneys' fees and expenses; provided, however, that "Indemnity Loss" shall not include consequential damages, indirect damages, exemplary damages, speculative damages, lost profits, diminution in value, or special or punitive damages (other than special or punitive damages payable to a third party).

"***Intellectual Property***" means shall mean, collectively, in the United States and all countries or jurisdictions foreign thereto, (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all utility and design patents and pending applications for patents of the United States and all countries and jurisdictions foreign thereto and all reissues, reexaminations, divisions, continuations, continuations-in-part, revisions, and extensions thereof; (b) all registered trademarks, registered service marks, trademark and service mark applications, unregistered trademarks and service marks, registered trade names and unregistered trade names, corporate names, fictitious names, trade dress, logos, slogans, Internet domain names, rights in telephone numbers, and other indicia of source, origin, endorsement, sponsorship or certification, together with all translations, adaptations, derivations, combinations and renewals thereof, all goodwill associated therewith; (c) all moral rights, copyrights and other rights in any work of authorship (including catalogues and related copy, databases, data, Software, and mask works), compilation, derivative work or mask work and all applications, registrations, and renewals in connection therewith; (d) all trade secrets and confidential business information (including confidential ideas, research and development, know-how, methods, formulas, compositions, manufacturing and production processes and techniques, technical and other data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (e) all other intellectual and industrial property rights; (f) the exclusive right to display, perform, reproduce, make, use, sell, distribute, import, export and create derivative works or improvements based on any of the foregoing; and (g) all income, royalties, damages and payments related to any of the foregoing (including damages and payments for past, present or future infringements, misappropriations or other conflicts with any intellectual property), and the right to sue and recover for past, present or future infringements, misappropriations or other conflict with any intellectual property, and all other rights of any kind or nature in and to any of the forgoing.

"***IPO***" means an initial public offering of Equity Securities pursuant to an effective registration statement filed under the Securities Act or, if earlier, the registration of such Equity Securities pursuant to Section 12(b) or Section 12(g) of the Securities Exchange Act of 1934, as amended, or any Canadian Law equivalents.

"***Knowledge***" or words of similar import, means, with respect to any Person, the actual knowledge of such Person, in each case with such additional knowledge as such Person would acquire after having undertaken reasonable due inquiry. With respect to the Company, "Knowledge" means the Knowledge of Edward Kilduff and Jason Brown.

"***Law***" means any local, county, state, federal, foreign or other law, statute, regulation, ordinance, rule, order, decree, judgment, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Entity including, for the avoidance of doubt, the Controlled Substances Act of 1970, 21 U.S.C. Section 801, et seq., any regulations promulgated pursuant thereto, and any other law predicated on the violation thereof.

"***Leased Real Property***" has the meaning set forth in Section 4.09(a).

"***Liability***" with respect to any Person, means any Debt, liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person. For the avoidance of doubt, with respect to the Company, Liability shall include Debt.

"***Licenses and Permits***" shall mean all licenses, registrations, franchises, qualifications, provider numbers, permits, orders, rights to indemnification, approvals and authorizations, if any, issued by any Governmental Entity which relate to the Business.

"***Litigation Notice***" has the meaning set forth in Section 6.03(a).

"***Material Adverse Effect***" when used with respect to the Company, means any fact, event, change, circumstance or effect that, individually or in the aggregate, has had, or is reasonably likely to have, a materially adverse effect upon the Assets, financial condition or results of operations of the Company; provided, however, that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (a) any adverse change, event, development or effect arising from or relating to (i) general business or economic conditions, including such conditions related to the Business, (ii) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or Personnel of the United States, (iii) financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (iv) changes in Law, (v) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, (vi) any "act of God," including weather, natural disasters and earthquakes, or (vii) changes resulting from the announcement of the execution of this Agreement or the transactions contemplated hereunder; except, with respect to clauses (i), (iii) or (iv), to the extent that such change, event, development or effect has a disproportionate effect on the business of the Company relative to other businesses in the industry in which the Company operates.

"***Material Contracts***" has the meaning set forth in Section 4.19.

"***Multiemployer Plan***" means any Employee Plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) or Section 3(37) of ERISA.

"***Ordinary Course of Business***" means any action taken by a Person if such action is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person.

"***PCI Requirements***" has the meaning set forth in Section 4.18.

"***Pension Plan***" has the meaning set forth in Section 4.13(e).

"***Permitted Encumbrance***" means any of the following: (a) carriers, workmen, warehousemen, repairmen, mechanics, contractors, materialmen and other similar Persons and other liens imposed by applicable Laws; (b) with respect to the real property that is within the Company's possession, use or control, the provisions of all applicable zoning Laws; (c) purchase money liens securing rental payments under capital lease arrangements that will be released as of the Closing; (d) Encumbrances created by, or for the benefit of, the Purchaser; (e) Encumbrances for Taxes not yet due and payable or for Taxes that are being contested in good faith and by appropriate Proceedings for which adequate reserves have been provided on the books and records of the Company in accordance with GAAP; (f) Encumbrances incurred or deposits made in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other types of social security, and mechanic's liens, carrier's Encumbrances and other Encumbrances to secure the performance of tenders, statutory obligations, contract bids, government Contracts, performance and return of money bonds and other similar obligations, incurred in the Ordinary Course of Business, whether pursuant to statutory requirements, common law or consensual arrangements; (g) Encumbrances which constitute rights of setoff of a customary nature or banker's liens, whether arising by Law or by Contract; or (h) Encumbrances on insurance proceeds in favor of insurance companies granted solely as security for financed premiums.

"***Person***" means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust or unincorporated organization, or any Governmental Entity, officer, department, commission, board, bureau or instrumentality thereof.

"***Personal Information***" means, in addition to any definitions provided by the Company for any similar term (e.g., "personally identifiable information" or "PII") in the Company's privacy policy or other public-facing statement, all information regarding or capable of being associated with an individual person or device, including (a) information that identifies, could be used to identify or is otherwise identifiable with an individual, including an individual's name, physical address, telephone number, email address, financial account number or government-issued identifier (including Social Security number and driver's license number), medical, biometric, health or insurance information, gender, date of birth, educational or employment information, religious or political views or affiliations, marital or other status, and any other data used or intended to be used to identify, contact or precisely locate an individual (e.g., geolocation data), (b) information that is created, maintained, or accessed by an individual (e.g., videos, audio or individual contact information), (c) any data regarding an individual's activities online or on a mobile device or other application (e.g., searches conducted, web pages or content visited or viewed) and (d) Internet Protocol addresses, unique device identifiers or other persistent identifiers. Personal Information may relate to any individual, including a current, prospective or former customer or employee of any Person. Personal Information includes information in any form, including paper, electronic and other forms.

"***Personnel***" means any manager, director, officer or employee of a particular Person.

"***Pre-Closing Tax Period***" means any Tax period ending on or before the Closing Date and that portion of any Straddle Period ending on the Closing Date.

"***Privileged Information***" has the meaning set forth in Section 10.15.

"***Proceeding***" means any judicial, administrative or arbitral actions, suits or proceedings (public or private) by or before any Governmental Entity or before any arbitrator, mediator or other alternative dispute resolution provider pursuant to any collective bargaining agreement, contractual agreement or Law, and including any audit or examination, or other administrative or court proceeding with respect to Taxes or Tax Returns.

"***Product Plans***" has the meaning set forth in Section 4.29.

"***Purchaser***" has the meaning set forth in the Preamble.

"***Purchaser Financial Statements***" has the meaning set forth in Section 5.05.

"***Purchaser Indemnified Parties***" has the meaning set forth in Section 6.01.

"***Purchaser Required Consent***" has the meaning set forth in Section 5.07.

"***Purchaser SEC Documents***" has the meaning set forth in Section 5.05.

"***Real Property Leases***" has the meaning set forth in Section 4.09(a).

"***Related Agreements***" means all other agreements, documents and certificates entered into pursuant to this Agreement, except for the Employment Agreements.

"***Release***" means any release, spill, emission, emptying, leaking, injection, deposit, disposal, discharge, dispersal, leaching, pumping, pouring, or migration into the atmosphere, soil, surface water, groundwater or property.

"***Released Parties***" has the meaning set forth in Section 7.07.

"***Releasing Parties***" has the meaning set forth in Section 7.07.

*"**Restricted Parties***" has the meaning set forth in Section 7.09.

"***Requested Confidential Exhibits***" has the meaning set forth in Section 5.05.

"***SEC***" means the Securities and Exchange Commission.

"***Securities Act***" means the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder from time to time.

"***Seller***" has the meaning set forth in the Preamble.

"***Seller Confidential Information***" has the meaning set forth in Section 10.15.

"***Straddle Period***" means any Tax period beginning on or before and ending after the Closing Date.

"***Subsidiary***" means a Person of which more than twenty-five percent (25%) of the voting power of the Equity Securities is owned, directly or indirectly, by the specified Person.

"***Survival Period***" has the meaning set forth in Section 6.05(a).

"***Tax***" or "***Taxes***" means all federal, state, local and foreign taxes (including income taxes, excise taxes, value added taxes, occupancy taxes, employment taxes, withholding taxes, escheat or unclaimed property, unemployment taxes, ad valorem taxes, custom duties and transfer taxes) and similar fees, levies, imposts, impositions, assessments and governmental charges imposed upon a Person, including all taxes and governmental charges imposed upon any of the personal properties, real properties, tangible or intangible Assets, income, receipts, payrolls, transactions, equity transfers, equity, net worth or franchises of a Person (including all sales, use, withholding or other taxes which a Person is required to collect or pay over to any government), and all related additions to tax, penalties or interest thereon.

"***Tax Return***" means and includes all returns, statements, declarations, estimates, forms, reports, information returns and any other documents (including all consolidated, affiliated, combined or unitary versions of the same) relating to Taxes, including all related and supporting information, in each case, filed or required by Law to be filed with any Governmental Entity in connection with the determination, assessment, reporting, payment, collection or administration of any Taxes, and including Treasury Form TD F 90-22.1 and FinCEN Form 114.

"***Third Party Claim***" has the meaning set forth in Section 6.03(a).

"***Treasury Regulations***" means the Treasury Regulations promulgated under the Code, as such Treasury Regulations may be amended from time to time. Any reference herein to a particular provision of the Treasury Regulations means, where appropriate, the corresponding successor provision.

"***Warranty Claims***" means any claims arising in respect of the Company's obligations under any extended warranties sold by the Company covering Company Products, but specifically excluding warranty claims arising from any manufacturer's warranty covering Company Products.

EXHIBIT B

SELLER CAPITALIZATION

EXHIBIT C-1

Kilduff Employment Agreement

(See attached.)

EXHIBIT C-2

Brown Employment Agreement

(See attached.)

GREENLANE HOLDINGS, INC.
2019 EQUITY INCENTIVE PLAN

STOCK OPTION GRANT NOTICE

Greenlane Holdings, Inc., a Delaware corporation (the "***Company***"), has granted to the participant listed below ("***Participant***") the stock option (the "***Option***") described in this Stock Option Grant Notice (the "***Grant Notice***"), subject to the terms and conditions of the 2019 Equity Incentive Plan (as amended from time to time, the "***Plan***") and the Stock Option Agreement attached as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:

Grant Date:

Exercise Price per Share:

Shares Subject to the Option:

Final Expiration Date: [Can be no later than 10th anniversary of Grant Date]

Vesting Commencement Date:

Vesting Schedule: [To be specified in individual award agreements]

Type of Option [Incentive Stock Option/Non-Qualified Stock Option]

By accepting (whether in writing, electronically or otherwise) the Option, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

GREENLANE HOLDINGS, INC.	**PARTICIPANT**
By: _____	_____
Name: _____	[Participant Name]
Title: _____	

Exhibit A

STOCK OPTION AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 Grant of Option. The Company has granted to Participant the Option effective as of the grant date set forth in the Grant Notice (the "***Grant Date***").

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.
PERIOD OF EXERCISABILITY

2.1 Commencement of Exercisability. The Option will vest and become exercisable according to the vesting schedule in the Grant Notice (the "***Vesting Schedule***") except that any fraction of a Share as to which the Option would be vested or exercisable will be accumulated and will vest and become exercisable only when a whole Share has accumulated. Notwithstanding anything in the Grant Notice, the Plan or this Agreement to the contrary, unless the Administrator otherwise determines, the Option will immediately expire and be forfeited as to any portion that is not vested and exercisable as of Participant's Termination of Service for any reason.

2.2 Duration of Exercisability. The Vesting Schedule is cumulative. Any portion of the Option which vests and becomes exercisable will remain vested and exercisable until the Option expires. The Option will be forfeited immediately upon its expiration.

2.3 Expiration of Option. The Option may not be exercised to any extent by anyone after, and will expire on, the first of the following to occur:

(a) The final expiration date in the Grant Notice;

(b) Except as the Administrator may otherwise approve, the expiration of three months from the date of Participant's Termination of Service, unless Participant's Termination of Service is for Cause or by reason of Participant's death or Disability;

(c) Except as the Administrator may otherwise approve, the expiration of one year from the date of Participant's Termination of Service by reason of Participant's death or Disability; and

(d) Except as the Administrator may otherwise approve, Participant's Termination of Service for Cause.

As used in this Agreement, "***Cause***" means (i) if Participant is a party to a written employment or consulting agreement with the Company or an Affiliate in which the term "cause" is defined (a "***Relevant Agreement***"), "Cause" as defined in the Relevant Agreement, and (ii) if no Relevant Agreement exists, (A) the Administrator's determination that Participant failed to substantially perform Participant's duties (other than a failure resulting from Participant's Disability); (B) the Administrator's determination that Participant failed to carry out, or comply with any lawful and reasonable directive of the Board or Participant's immediate supervisor; (C) Participant's conviction, plea of nolo contendere, or imposition of unadjudicated probation for any felony or indictable offense or crime involving moral turpitude; (D) Participant's unlawful use (including being under the influence) or possession of illegal drugs on the premises of the Company or any of its Affiliates or while performing Participant's duties and responsibilities for the Company or any of its Affiliates; (E) Participant's commission of an act of fraud, embezzlement, misappropriation, misconduct, or breach of fiduciary duty against the Company or any of its Affiliates; (F) Participant's failure to abide by Company policies, including the Company's code of conduct; (G) Participant's unauthorized use or disclosure of confidential information or misappropriation, destruction or diversion of the Company's other tangible or intangible assets; (H) any other intentional act by Participant that has a material detrimental effect on the Company's business or reputation; or (I) the Participant's material breach of any agreement between the Company and Participant.

ARTICLE III.
EXERCISE OF OPTION

3.1 Person Eligible to Exercise. During Participant's lifetime, only Participant may exercise the Option. After Participant's death, any exercisable portion of the Option may, prior to the time the Option expires, be exercised by Participant's Designated Beneficiary as provided in the Plan.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised, in whole or in part, according to the procedures in the Plan at any time prior to the time the Option or portion thereof expires, except that the Option may only be exercised for whole Shares.

3.3 Tax Withholding.

(a) The Company shall have the right to require payment from the Participant to cover any applicable withholding tax obligation that arise in connection with this Agreement or the Option. The Company may, but shall not be obligated to, permit the Participant to make other arrangements for the satisfaction of such withholding obligation, pursuant to the terms of Section 9(e) of the Plan.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Option, regardless of any action the Company or any Affiliate takes with respect to any tax withholding obligations that arise in connection with the Option. Neither the Company nor any Affiliate makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the Option or the subsequent sale of Shares. The Company and the Affiliates do not commit and are under no obligation to structure the Option to reduce or eliminate Participant's tax liability.

ARTICLE IV.
OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the person entitled to exercise the Option) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Option will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the Option, as and when exercised pursuant to the terms hereof.

4.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Affiliate or interferes with or restricts in any way the rights of the Company and its Affiliates, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or an Affiliate and Participant.

4.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

4.12 Incentive Stock Options. If the Option is designated as an Incentive Stock Option:

(a) Participant acknowledges that to the extent the aggregate fair market value of shares (determined as of the time the option with respect to the shares is granted) with respect to which stock options intended to qualify as "incentive stock options" under Section 422 of the Code, including the Option, are exercisable for the first time by Participant during any calendar year exceeds $100,000 or if for any other reason such stock options do not qualify or cease to qualify for treatment as "incentive stock options" under Section 422 of the Code, such stock options (including the Option) will be treated as non-qualified stock options. Participant further acknowledges that the rule set forth in the preceding sentence will be applied by taking the Option and other stock options into account in the order in which they were granted, as determined under Section 422(d) of the Code. Participant also acknowledges that if the Option is exercised more than three months after Participant's Termination of Service, other than by reason of death or disability, the Option will be taxed as a Non-Qualified Stock Option.

(b) Participant will give prompt written notice to the Company of any disposition or other transfer of any Shares acquired under this Agreement if such disposition or other transfer is made (a) within two years from the Grant Date or (b) within one year after the transfer of such Shares to Participant. Such notice will specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by Participant in such disposition or other transfer.

GREENLANE HOLDINGS, INC.
2019 EQUITY INCENTIVE PLAN

RESTRICTED STOCK GRANT NOTICE

Greenlane Holdings, Inc., a Delaware corporation (the "***Company***"), has granted to the participant listed below ("***Participant***") the shares of Restricted Stock (the "***Restricted Shares***") described in this Restricted Stock Grant Notice (the "***Grant Notice***"), subject to the terms and conditions of the 2019 Equity Incentive Plan (as amended from time to time, the "***Plan***") and the Restricted Stock Agreement attached as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference. Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:

Grant Date:

Number of Restricted Shares:

Vesting Commencement Date:

Vesting Schedule: [To be specified in individual award agreements]

By accepting (whether in writing, electronically or otherwise) the Restricted Shares, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

GREENLANE HOLDINGS, INC.	**PARTICIPANT**
By: _____	_____
Name: _____	[Participant Name]
Title: _____	

Exhibit A

RESTRICTED STOCK AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 Issuance of Restricted Shares. The Company will issue the Restricted Shares to Participant effective as of the Grant Date set forth in the Grant Notice and will cause (a) a stock certificate or certificates representing the Restricted Shares to be registered in Participant's name or (b) the Restricted Shares to be held in book-entry form. If a stock certificate is issued, the certificate will be delivered to, and held in accordance with this Agreement by, the Company or its authorized representatives and will bear the restrictive legends required by this Agreement. If the Restricted Shares are held in book-entry form, then the book-entry will indicate that the Restricted Shares are subject to the restrictions of this Agreement.

1.2 Incorporation of Terms of Plan. The Restricted Shares are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.
VESTING, FORFEITURE AND ESCROW

2.1 Vesting. The Restricted Shares will become vested Shares (the "***Vested Shares***") according to the vesting schedule in the Grant Notice except that any fraction of a Share that would otherwise become a Vested Share will be accumulated and will become a Vested Share only when a whole Vested Share has accumulated.

2.2 Forfeiture. In the event of Participant's Termination of Service for any reason, Participant will immediately and automatically forfeit to the Company any Shares that are not Vested Shares (the "***Unvested Shares***") at the time of Participant's Termination of Service, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. Upon forfeiture of Unvested Shares, the Company will become the legal and beneficial owner of the Unvested Shares and all related interests and Participant will have no further rights with respect to the Unvested Shares.

2.3 Escrow.

(a) Unvested Shares will be held by the Company or its authorized representatives in the name of the Participant until (i) they are forfeited, (ii) they become Vested Shares or (iii) this Agreement is no longer in effect. By accepting this Award, Participant appoints the Company and its authorized representatives as Participant's attorney(s)-in-fact to take all actions necessary to effect any transfer of forfeited Unvested Shares to the Company as may be required pursuant to the Plan or this Agreement and to execute such representations or other documents or assurances as the Company or such representatives deem necessary or advisable in connection with any such transfer. The Company, or its authorized representative, will not be liable for any good faith act or omission with respect to the holding in escrow or transfer of the Restricted Shares.

(b) As soon as reasonably practicable following the date on which an Unvested Share becomes a Vested Share, the Company will cause the certificate (or a new certificate without the legend required by this Agreement, if Participant so requests) representing the Share to be delivered to Participant or, if the Share is held in book-entry form, cause the notations indicating the Share is subject to the restrictions of this Agreement to be removed.

2.4 Rights as Stockholder. Except as otherwise provided in this Agreement or the Plan, upon issuance of the Restricted Shares by the Company, Participant will have all other rights of a stockholder with respect to the Restricted Shares, including the right to vote such Restricted Shares and to receive dividends or other distributions paid or made with respect to the Restricted Shares.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of the Restricted Shares and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Section 83(b) Election. Participant covenants that he or she will not make an election under Section 83(b) of the Code with respect to the receipt of any Share without the consent of the Administrator, which the Administrator may grant or withhold in its sole discretion. If, with the consent of the Administrator, Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Shares as of the date of transfer of the Restricted Shares rather than as of the date or dates upon which Participant would otherwise be taxable under Section 83(a) of the Code, Participant hereby agrees to make such election timely (within 30 days of the date of the transfer of such Restricted Shares or otherwise as required by Applicable Law) and to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

3.3 Tax Withholding.

(a) The Company shall have the right to require payment from the Participant to cover any applicable withholding tax obligation that arise in connection with this Agreement or the Restricted Shares. The Company may, but shall not be obligated to, permit the Participant to make other arrangements for the satisfaction of such withholding tax obligation, pursuant to the terms of Section 9(e) of the Plan.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Restricted Shares, regardless of any action the Company or any Affiliate takes with respect to any tax withholding obligations that arise in connection with the Restricted Shares. Neither the Company nor any Affiliate makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the Restricted Shares or the subsequent sale of the Restricted Shares. The Company and the Affiliates do not commit and are under no obligation to structure this Award to reduce or eliminate Participant's tax liability.

ARTICLE IV.
RESTRICTIVE LEGENDS AND TRANSFERABILITY

4.1 Legends. Any certificate representing a Restricted Share will bear the following legend until the Restricted Share becomes a Vested Share:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

4.2 Transferability. The Restricted Shares are subject to the restrictions on transfer in the Plan. Any attempted transfer or disposition of Unvested Shares prior to the time the Unvested Shares become Vested Shares will be null and void. The Company will not be required to (a) transfer on its books any Restricted Share that has been sold or otherwise transferred in violation of this Agreement or (b) treat as owner of such Restricted Share or accord the right to vote or pay dividends to any purchaser or other transferee to whom such Restricted Share has been so transferred. The Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, or make appropriate notations to the same effect in its records.

ARTICLE V.
OTHER PROVISIONS

5.1 Adjustments. Participant acknowledges that the Restricted Shares are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

5.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

5.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

5.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Restricted Shares will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

5.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

5.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

5.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Award.

5.10 Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Affiliate or interferes with or restricts in any way the rights of the Company and its Affiliate, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or an Affiliate and Participant.

5.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

Exhibit 21.1

Subsidiaries of Greenlane Holdings, Inc.

Legal Name	Jurisdiction of Incorporation	Percentage Owned
Aerospaced LLC	Florida	100%
Better Life Holdings, LLC	Delaware	100%
BioVapor Solutions LLC	Delaware	100%
Bocamore Connection LLC	Delaware	50%
Global Pacific Holdings LLC	Delaware	100%
Greenlane Holdings, LLC	Delaware	100%
GS Fulfillment LLC	Delaware	100%
HSCM LLC	Delaware	100%
HS Ponce City LLC	Delaware	100%
HS Products LLC	Delaware	100%
MSI Imports LLC	Washington	100%
Northern Vector LLC	Delaware	100%
Pollen Gear LLC	Delaware	100%
QD Products LLC	Delaware	100%
Rocketmang LLC	Delaware	100%
South Atlantic Holdings LLC	Delaware	100%
South Reach LLC	Delaware	100%
Vape World Distribution Ltd.	Canada	100%
Vibes Holdings LLC	Delaware	50%
Warehouse Goods LLC	Delaware	100%
1095 Broken Sound Pkwy LLC	Delaware	100%

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Greenlane Holdings, LLC
Boca Raton, Florida

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated March 19, 2019, relating to the consolidated financial statements of Greenlane Holdings, LLC, which is contained in that Prospectus.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO USA, LLP
West Palm Beach, Florida

March 20, 2019

Squar Milner LLP

Consent of Independent Auditor

We consent to the use in this Registration Statement on Form S-1 of Greenlane Holdings, Inc. of our report dated June 1, 2018, relating to the financial statements of Better Life Holdings, LLC, and of our report dated March 7, 2019 relating to the consolidated financial statements of Pollen Gear LLC, both appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the references to our firm under the heading "Experts" in such Prospectus.

/s/ SQUAR MILNER LLP

San Diego, California
March 20, 2019

Exhibit 23.4

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent to being named and described as a director nominee of Greenlane Holdings, Inc., a Delaware corporation (the "Company"), in the Registration Statement on Form S-1 filed by the Company, with the Securities and Exchange Commission (as amended, the "Registration Statement"), any amendment or supplement to any prospectus included in the Registration Statement, any amendment to the Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing of this consent with the Registration Statement and any amendment or supplement thereto.

Date: March 20, 2019

/s/ Neil Closner

Neil Closner

Exhibit 23.5

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent to being named and described as a director nominee of Greenlane Holdings, Inc., a Delaware corporation (the "Company"), in the Registration Statement on Form S-1 filed by the Company, with the Securities and Exchange Commission (as amended, the "Registration Statement"), any amendment or supplement to any prospectus included in the Registration Statement, any amendment to the Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing of this consent with the Registration Statement and any amendment or supplement thereto.

Date: March 20, 2019

/s/ Richard Taney

Richard Taney

Exhibit 23.6

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), I hereby consent to being named and described as a director nominee of Greenlane Holdings, Inc., a Delaware corporation (the "Company"), in the Registration Statement on Form S-1 filed by the Company, with the Securities and Exchange Commission (as amended, the "Registration Statement"), any amendment or supplement to any prospectus included in the Registration Statement, any amendment to the Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing of this consent with the Registration Statement and any amendment or supplement thereto.

Date: March 20, 2019

/s/ Jeff Uttz

Jeff Uttz