

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): August 12, 2022

**GROWGENERATION CORP.**  
(Exact Name of Registrant as Specified in its Charter)

**Colorado**

(State or Jurisdiction  
of Incorporation)

**333-207889**

(Commission File Number)

**46-5008129**

(I.R.S. Employer  
Identification No.)

5619 DTC Parkway, Suite 900  
Greenwood Village, CO 80111  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(800) 935-8420**

N/A  
(Former Address of Principal Executive Offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                       | Trading symbol | Name of each exchange on which registered |
|---|----------------|---|
| Common Stock, par value \$0.001 per share | GRWG           | The NASDAQ Stock Market LLC               |

**Section 1 - Registrant's Business and Operations**

**Item 1.01 Entry into a Material Definitive Agreement.**

The information set forth in Item 5.02 below is incorporated herein by reference.

**Section 5 – Corporate Governance and Management**

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Effective August 12, 2022, Jeffrey Lasher, Chief Financial Officer of GrowGeneration Corp. (the "Company"), resigned as Chief Financial Officer, and, effective August 12, 2022, Gregory Sanders has been appointed Chief Financial Officer of the Company.

In connection with Mr. Lasher's resignation from the Company, Mr. Lasher and the Company entered into a Separation Agreement (the "Separation Agreement"), pursuant to which Mr. Lasher will receive: (i) \$253,513.32 cash severance, to be paid in equal installments over a period of six months following the separation date; (ii) 10,000 shares of common stock as of October 12, 2022; and (iii) 20,000 shares of common stock as of December 15, 2022. The Separation Agreement also includes a mutual release of claims, transition assistance, and compliance with restrictive covenants.

A copy of the Separation Agreement is filed herewith as Exhibit 10.1.

Mr. Sanders served as Vice President, Corporate Controller at the Company from 2021 to present and was Corporate Controller at the Company from 2018 to 2021. Prior to Mr. Sanders' employment at the Company, he was Director of Accounting and Finance at Machol & Johannes, LLC from 2015 to 2018. Mr. Sanders was an accounting manager at Arrow electronics from 2014 to 2015 and held various roles, including accountant, senior accountant and accounting manager, at Enterprise Holdings from 2008 to 2014. Mr. Sanders is a graduate of the University of Minnesota.

There are no arrangements or understandings between Mr. Sanders and any other persons pursuant to which Mr. Sanders will be named to this position with the Company. Mr. Sanders does not have any family relationship with any of the Company's directors or executive officers or any persons nominated or chosen by the Company to be a director or executive officer. Mr. Sanders has no direct or indirect material interest in any transaction or proposed transaction required to be reported under Section 404(a) of Regulation S-K.

In connection with Mr. Sanders' appointment as Chief Financial Officer, Mr. Sanders and the Company entered into a three-year employment agreement (the "Sanders Employment Agreement"), pursuant to which the Company agreed to pay Mr. Sanders (i) a base salary of \$325,000 per year, increasing 10% each year; (ii) a minimum \$50,000 cash bonus in respect of calendar year 2022, subject to continued employment through December 31, 2022; (iii) an annual performance cash bonus for future fiscal years based on performance metrics set by the Company, with a target amount of 50% and maximum amount of 100% of the then-current base salary; (iv) 90,000 restricted stock units, vesting in equal installments over three years on June 15 and December 15 during each year of the agreement term; and (v) an additional equity grant on each anniversary of the agreement term with substantially similar value to the initial grant, depending on the price of the Company's common stock on the grant date compared to the date of the agreement. In addition, if the Company terminates Mr. Sanders' employment without "Cause" (as defined in the agreement), Mr. Sanders will receive three months' severance.

A copy of the Sanders Employment Agreement is filed herewith as Exhibit 10.2.

## Section 7 – Regulation FD

### Item 7.01. Regulation FD Disclosure

On August 12, the Company published a press release regarding the resignation of Jeffery Lasher as Chief Financial Officer, the appointment of Gregory Sanders as Chief Financial Officer, and the promotion of Stephen Kozey to General Counsel.

A copy of the press release is attached hereto as Exhibit 99.1. The information contained in this Current Report on Form 8-K (including the exhibit) is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise expressly stated in such filing.

---

1

## Section 9 – Financial Statements and Exhibits

### Item 9.01. Financial Statements and Exhibits

(c) Exhibits [Update as necessary]

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| Item 10.1          | <a href="#">Separation Agreement, dated August 12, 2022, between GrowGeneration Corp. and Jeffrey Lasher.</a>  |
| Item 10.2          | <a href="#">Employment Agreement, dated August 12, 2022, between GrowGeneration Corp. and Gregory Sanders.</a> |
| Item 99.1          | <a href="#">Press Release, dated August 12, 2022.</a>  |
| 104                | Cover Page Interactive Data File (embedded within the Inline XBRL document)                                    |

---

2

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 12, 2022

**GrowGeneration Corp.**

By: /s/ Darren Lampert  
Name: Darren Lampert  
Title: Chief Executive Officer

---

3

## SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement (this “Agreement”) is made between **GrowGeneration Corp.**, a Colorado corporation (“Company”), and **Jeffrey Lasher**, a Colorado resident (“Employee”) (each a “party” and together the “parties”):

WHEREAS, Employee is employed by Company pursuant to that certain Employment Contract between Company and Employee, dated March 21, 2021 (the “Employment Agreement”);

WHEREAS, Employee wishes to resign from employment with Company effective as of August 12, 2022 (the “Separation Date”); and

WHEREAS, notwithstanding anything to the contrary contained in the Employment Agreement, the parties wish to ensure an amicable separation and to provide for the covenants and releases set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

**1. Separation Benefits.** Subject to Section 3, Company will pay Employee separation pay in the gross amount of \$253,513.32, less withholding for taxes required by applicable law, which amount is equal to the sum of (i) six months’ salary of \$177,750.00, (ii) six months’ annual bonus of \$71,100, and (iii) six months’ benefits contributions by Company of \$4,663.32. Separation pay will be paid in equal installments on Company’s regular paydays over a period of six months commencing on or after the 8th calendar day after the Separation Date (i.e. after expiration of the revocation period in accordance with Section 5). Separation pay will not be subject to voluntary employee deferral or employer matching contributions pursuant to any employee benefit, compensation, or retirement plan. In addition, subject to Section 3, Company will issue Employee 10,000 shares as of October 12, 2022, and 20,000 shares on December 15, 2022, subject to withholding for taxes required by applicable law. Employee hereby directs Company to satisfy required tax withholding by reducing the number of shares issued pursuant to the preceding sentence by a number of shares with a value equal to the tax withholding for the total shares issuable. For the avoidance of doubt, the separation pay and shares provided for in this Section 1 are in addition to final pay of salary and vacation time accrued through the Separation Date.

**2. Employee Release.**

(a) Release in Full of All Claims. In exchange for the covenants of Company set forth in this Agreement, including the separation pay set forth in Section 1, Employee, for himself and his heirs, assigns, and personal representatives, fully and completely releases Company and its subsidiaries and affiliated entities and all predecessors and successors thereto, and all benefit plans thereof, and all of their respective direct and indirect shareholders, members, partners, directors, officers, managers, employees, attorneys, administrators and agents (the “Company Releasees”) from any and all claims or causes of action that Employee may have against any Company Releasee, known or unknown, including claims or causes of action that relate in any way to Employee’s employment with Company or the termination thereof, from the beginning of time through the date Employee signs this Agreement (the “Employee Released Claims”), including: (a) laws prohibiting discrimination (including harassment and retaliation) in employment, such as the Age Discrimination in Employment Act (“ADEA”), the Civil Rights Act, the Americans With Disabilities Act, the Occupational Safety and Health Act, the Sarbanes Oxley Act, and the Colorado Anti-Discrimination Act; (b) laws regarding wages and hours, such as the Fair Labor Standards Act and the Colorado Wage Claim Act; (c) other employment laws, such as the Family and Medical Leave Act and the Employee Retirement Income Security Act; (d) laws regarding taxation of wages, bonuses, equity awards, and other compensation, including any obligation to pay or withhold any tax; (e) laws regarding securities, including the registration, offer, sale, or transfer of securities and any public reporting or other filings or submissions in respect of securities or the issuer thereof; (f) unpaid compensation or reimbursement, including salary, bonus, equity awards, accrued leave or time off, and travel and other business expenses; and (g) any common law theory, including but not limited to breach of contract (expressed or implied), promissory estoppel, wrongful discharge, outrageous conduct, defamation, fraud or misrepresentation, tortious interference, invasion of privacy, negligent hiring or supervision, or any other claims based in contract, tort or equity.

---

1

Employee acknowledges and agrees that Employee is releasing both known and unknown claims and waives the benefit of any statute purporting to prevent Employee from releasing unknown claims, including but not limited to the protection of Cal. Civ. Code Section 1542 (and any similar law), which states: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

(b) Excluded Claims: Notwithstanding Section 2(a), the Employee Released Claims do not include claims for breach of this Agreement, claims that arise after Employee signs this Agreement, claims for vested pension benefits, claims for workers’ compensation benefits or unemployment compensation benefits, and any other claims that cannot by law be released by private agreement. In addition, this release does not prevent Employee from filing: (i) a lawsuit to challenge the effectiveness of a release of claims of age discrimination under the ADEA; or (ii) a charge with a governmental authority, including but not limited to the U.S. Equal Employment Opportunity Commission (“EEOC”) and the U.S. Securities and Exchange Commission (“SEC”), but Employee is waiving his/her right to recover any monetary or injunctive relief pursuant to any such charge (except that this Agreement does not prevent Employee from receiving a bounty or similar award from or by the SEC or other governmental agency for providing information).

**3. Company Release.**

(a) Release in Full of All Claims. In exchange for the covenants of Employee set forth in this Agreement, including Section 4, the Company, for itself and its subsidiaries and affiliated entities and all predecessors and successors thereto, fully and completely releases Employee and his heirs, assigns, and personal representatives (the “Employee Releasees”) from any and all claims or causes of action that the Company may have against any Employee Releasee, known or unknown, including claims or causes of action that relate in any way to Employee’s employment with the Company or the termination thereof, from the beginning of time through the date the Company signs this Agreement (the “Company Released Claims”).

(b) Excluded Claims: Notwithstanding Section 3(a), the Company Released Claims do not include claims for breach of this Agreement, claims that arise after Company signs this Agreement, and any other claims that cannot by law be released by private agreement.

**4. Conditions.** As a condition to receiving and retaining the separation payments provided in Section 1, Employee shall comply with the following:

(a) Execution and Return of Agreement. Employee shall sign this Agreement and return the signed original of the Agreement to Company within 21 calendar days after the Separation Date and shall not revoke it.

(b) Property. Employee shall return all Company property in Employee’s possession, custody or control not later than the 1st business day following the Separation Date, including but not limited to all motor vehicles, computer hardware, office equipment, telephones, credit cards, keys, card keys, and the originals and all copies of all documents, files, computer software and electronic data of any kind; provided, however, that Employee may retain copies of documents solely to the extent such documents reflect his/her compensation and benefits from Company in addition to a MacBook Pro purchased by Employee directly during his tenure, whether reimbursed by Company or not.

(c) Transition Assistance. Employee shall cooperate fully and use best efforts to promptly transition to other Company personnel, as directed by Company, all of Employee's records, work-in-process, access credentials and other items, whether tangible or intangible, written or in memory, to the extent necessary or appropriate to transition performance of Employee's duties to other Company personnel, and shall otherwise cooperate with Company in connection with matters arising out of Employee's service to Company; provided that such cooperation does not unreasonably interfere with Employee's other business activities; provided, further, that if Employee is required to incur material out-of-pocket expense in connection with such cooperation, Company shall, at Employee's election, either (i) pay such expense in advance or (ii) promptly reimburse Employee for such expense following Employee's written request and submission of a receipt or other appropriate evidence of such expense having been incurred by Employee.

(d) Compliance with Covenants. Employee shall comply with all of Employee's obligations (to the extent such obligations survive Employee's termination of employment with Company) under that certain Employee Covenant Agreement, dated February 15, 2022, between Employee and Company, including without limitation Employee's obligations of confidentiality, non-competition, and non-solicitation.

(e) Employee shall provide consulting services to Company, the members of the Board of Directors, and to third party service providers contracted by Company for one year following the Separation Date. The included consulting time shall not exceed 10 hours in any given week. Such consulting services will not be subject to cash consideration and shall be available to Company during normal business hours Monday through Friday during the period. Consulting services over the 10 hours per week shall be billed to and paid by Company at the rate of \$325 per hour. Any travel or business expenses required by the company shall be fully reimbursed to the Employee.

(f) Employee agrees not to cooperate or engage with potential activist investors, takeover attempts or board proxy proposals or similar activity.

(g) The Company agrees to communicate with Spencer Stuart regarding restrictions with respect to engagement for potential recruiting and placement.

**5. Acknowledgements.** By signing this Agreement, Employee acknowledges and agrees that: (a) the consideration described in Section 1 and Section 3 is consideration to which Employee would not otherwise be entitled, but for the signing of this Agreement; (b) Employee has been advised to consult with legal counsel about this Agreement and has been given an opportunity to do so; (c) Employee is not relying on any promises or representations of any kind, except those set forth in this Agreement; and (d) Effective as of the Separation Date, Employee hereby resigns from any and all positions Employee holds with the Protected Parties, whether as a director, officer, or otherwise, including as Chief Financial Officer.

**6. Revocation.** Employee may revoke this Agreement by delivering written notice of revocation to Company by email, personal delivery, or U.S. Mail addressed to Stephen Kozey, VP of Legal, not later than the seventh day following Employee's signing of this Agreement, and this Agreement shall not become effective until the seven-day revocation period has expired without revocation by Employee. For the avoidance of doubt, no such revocation shall be deemed to affect Employee's resignation from any and all positions Employee holds with the Protected Parties, whether as a director, officer, or otherwise, including as Chief Financial Officer, or Employee's obligations outside this Agreement, including pursuant to law or other agreement.

**7. Invalidity of Release.** If any provision of Section 2 is held to be invalid or unenforceable and Employee is permitted to and does assert any Employee Released Claim against a Company Releasee, Company shall be entitled to an immediate refund of all payments made pursuant to Section 1, in addition to any other remedy available to Company under law or equity; provided, however, that this provision shall not apply to a claim of age discrimination under the ADEA unless ordered by a court of law.

**8. Severability.** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall be unaffected and shall continue in full force and effect.

**9. No Admission.** The parties agree that this Agreement is not an admission, and shall not be construed as an admission, by either party of any violation of law or other wrongdoing of any kind.

**10. Controlling Law.** This Agreement shall be governed by the laws of the State of Colorado and applicable federal law, without regard to any state's principles regarding conflict of laws.

#### **11. Dispute Resolution.**

(a) **Mandatory Arbitration.** Except as provided in Section 11(b), (a) any dispute or claim arising out of or relating to this Agreement or Employee's employment with Company ("Covered Claim") shall be resolved solely and exclusively by binding arbitration in Denver, Colorado (the "Arbitration Venue"), before a single arbitrator administered by the American Arbitration Association ("AAA") in accordance with AAA's then-current rules of employment arbitration, current copies of which are found at [www.adr.org](http://www.adr.org), and (b) neither Employee nor Company shall have the right to pursue any Covered Claim in court. **Both Employee and Company hereby irrevocably waive their right to have any Covered Claim heard by a judge or jury.** This Section 11 applies to Covered Claims that arose prior to the execution of this Agreement, as well as Covered Claims that arise after execution of this Agreement.

(b) **Proceedings in Aid of Arbitration.** Notwithstanding the foregoing, either party may file suit in a federal or state court in or for the Arbitration Venue, to (i) compel arbitration pursuant to this Agreement and/or (ii) obtain temporary and/or preliminary injunctive relief (without posting a bond or other security) to prevent irreparable harm pending arbitration. The parties hereby irrevocably submit to the jurisdiction of such courts for such purpose and irrevocably waive any right that they may have to object to proceeding in such courts, including but not limited to objections based on lack of personal jurisdiction, improper venue, or inconvenience of the forum. In addition, this Section 11 does not apply to claims primarily related to workers' compensation, ERISA, sexual harassment or sexual assault.

(c) **Nature of Proceedings.** The arbitration shall be governed by the Federal Arbitration Act. **The arbitration shall be conducted exclusively on an individual basis and not as part of any class, collective, or private attorney general representative proceeding, and Employee hereby irrevocably waives the right to assert any Covered Claim on a class, collective or private attorney general representative basis.** Notwithstanding the foregoing, Employee shall not be required to arbitrate a private attorney general representative proceeding if applicable state law prohibits arbitration of such proceedings. All proceedings shall be confidential, and the Arbitrator shall, upon the request of either party, (i) issue a protective order, in a form consistent with protective orders routinely issued in civil cases by the United States District Court for the Arbitration Venue, requiring the confidential treatment of documents and information produced by the parties in connection with the arbitration proceedings, and (ii) exclude from each arbitration proceeding all persons except those determined by the arbitrator to be necessary to such proceeding. The decision or award rendered by the arbitrator shall be final and binding upon the parties, and judgment may be entered upon it in accordance with applicable law in a court of competent jurisdiction.

(d) **Arbitrability.** All questions regarding the arbitrability of any claim, whether procedural or substantive in nature, shall be resolved exclusively by the arbitrator and not by a court. If either party asserts both arbitrable and non-arbitrable claims against the other party, the arbitrable claims shall be heard exclusively by the arbitrator as

provided herein. If any arbitrable claim is factually intertwined with a non-arbitrable claim, litigation of the non-arbitrable claim shall be stayed by the parties pending arbitration of the arbitrable claim.

(c) **Arbitration Fees.** Employee and Company shall each pay one-half of the fees and costs charged by AAA and the arbitrator for the arbitration proceeding; provided, however, that, unless the arbitrator orders otherwise, Employee shall not be required to pay more than the fees that the Employee would have been required to pay to a state court in Employee's state of residence if Employee's claims had been brought in such court.

(f) **Attorney Fees.** In the event of a breach or threatened breach of this Agreement, the non-breaching party shall be entitled to recover such party's attorney fees incurred as a result of such breach or threatened breach.

**12. Code Section 409A.** This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), or an exemption thereto, and payments may only be made under this Agreement upon an event and in a manner permitted by Section 409A or an exception thereto. Accordingly, this Agreement shall be interpreted in a manner consistent with the requirements of Section 409A to the extent applicable. Any payments under this Agreement that may be excluded from Section 409A either as a short-term deferral or as separation pay due to an involuntary separation from service shall be excluded from Section 409A to the maximum extent possible. All separation payments to be made upon the termination of employment hereunder may only be made upon a "separation from service" within the meaning of Section 409A. Each amount to be paid or benefit provided under this Agreement shall be construed as a separate identified payment for purposes of Section 409A. Notwithstanding any other provision in this Agreement or in any other document, Company shall not be responsible for the payment of any applicable taxes incurred by Employee pursuant to this Agreement, under Section 409A or otherwise. Company makes no representation that any or all of the payments and benefits described in this Agreement will be exempt from or comply with Section 409A.

**13. Miscellaneous.** This Agreement is the entire agreement between the parties regarding Employee's separation from employment with Company, and it supersedes all prior discussion, negotiations, representations or agreements, whether oral or written, with respect to such subject matter. This Agreement shall be enforceable by Company and its successors and assigns and shall be binding against Employee and Employee's heirs, beneficiaries and legal representatives. Company may assign this Agreement to any parent, subsidiary or affiliated company or successor in interest. Employee may not assign this Agreement. This Agreement may not be modified or amended, nor may any term or provision hereof be waived or discharged, except in a writing signed by both parties. This Agreement may be executed in counterparts, including counterparts transmitted by fax or in PDF form via email, all of which together shall constitute one fully-executed agreement.

**EMPLOYEE:**

/s/ Jeffrey Lasher  
Jeffrey Lasher

Date: 8/11/2022

**COMPANY:**

**GROWGENERATION CORP.**

By: /s/ Darren Lampert  
Darren Lampert, CEO

Date: 8/11/2022

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made by and between GrowGeneration Corp., a Colorado corporation (“Company”), and Gregory Sanders (“Employee”), effective as of August 12, 2022 (the “Effective Date”).

WHEREAS, Company desires to employ Employee on the terms and conditions set forth herein, and Employee desires to accept employment with Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. EMPLOYMENT AND DUTIES.**

**1.1 Position.** Employee will be employed by Company as its Chief Financial Officer, reporting to the Chief Executive Officer or such other Company official as Company may direct from time to time. Employee’s duties and responsibilities will be such as are consistent with Employee’s position, as more fully defined by Company from time to time, as well as such other duties and responsibilities as Company may reasonably assign to Employee from time to time. In addition, Employee shall, if requested by Company, serve as an officer or director of any subsidiary of Company (such subsidiaries together with Company, the “Group Companies”) for no additional compensation.

**1.2 Full Attention.** Employee shall devote substantially all Employee’s business time and attention exclusively to affairs of the Group Companies and discharge Employee’s duties and responsibilities hereunder faithfully and to the best of Employee’s ability. Employee shall not, without the prior written consent of Company, engage in any other business, profession, or occupation for compensation or otherwise which would conflict or interfere with the performance of Employee’s duties and responsibilities hereunder. Notwithstanding the foregoing, Employee may participate in reasonable levels of charitable, civic, trade organization, and similar activities and passive personal investment activities, provided that such activities do not, as determined by Company in its reasonable discretion, create an actual or apparent conflict of interest, injure Company or its reputation, violate any provision of this Agreement, any other contract between Employee and any Group Company, or any Group Company’s policy in effect from time to time, or otherwise materially interfere with the performance of Employee’s duties under this Agreement.

**2. TERM AND TERMINATION OF EMPLOYMENT.**

**2.1 Term.** The initial term of this Agreement will begin on the Effective Date and continue for three years, unless terminated earlier pursuant to Section 2.2. Thereafter, this agreement will automatically renew for successive one-year periods unless either party provides written notice to the other party of nonrenewal at least 30 days prior to the renewal date, or unless terminated earlier pursuant to Section 2.2. Termination or expiration of this Agreement does not relieve either party of obligations which by their nature or terms are to be performed after termination or expiration. The period of Employee’s employment pursuant to this Agreement will be the “Term.” For the avoidance of doubt, nonrenewal of this Agreement will not be deemed to constitute termination.

**2.2 Termination.** This Agreement may be terminated at any time, with or without reason or Cause (defined below), (a) by Company upon written notice to Employee (subject to Section 3.7, if terminated without Cause), or (b) by Employee upon at least 90 days written notice to Company; provided that, if Employee provides notice to terminate, Company may elect to terminate this Agreement at any time before expiration of the notice period and pay the base salary and benefits to which Employee would have been entitled but for such election to terminate sooner. Promptly following termination or expiration of this Agreement, Company shall pay to Employee such employee benefits (excluding base salary, annual bonus, and equity compensation), if any, to which Employee may be entitled under the Company’s employee benefit plans and/or applicable law as of the termination or expiration date; provided that, in no event shall Employee be entitled to any payments in the nature of severance or termination payments except as specifically provided in Section 3.7. On termination or expiration of this Agreement, Employee shall be deemed to have resigned from all positions that Employee holds as an officer, manager or director of any Group Company.

---

1

**3. COMPENSATION.** During the Term, Company shall provide the following compensation to Employee:

**3.1 Base Salary.** Employee will receive an annualized base salary of \$325,000. Effective as of August 16 each year, base salary will increase by 10% from the prior year base salary rate. Employee’s base salary may be increased or decreased from time to time at the sole discretion of Company, provided that such base salary may not be decreased below the amount stated in this Section 3.1 (after giving effect to the annual increase provided herein). Base salary will be paid in accordance with Company’s standard payroll practices as they may exist from time to time.

**3.2 Bonus.** Employee will be eligible for an annual performance bonus in the target amount of 50% of base salary (with a maximum amount of 100% of base salary), based upon Employee’s achievement of performance goals established by Company in its sole discretion. Any bonus to be paid for a year will be paid in accordance with Company’s standard payroll practices as they may exist from time to time not later than 30 days after the filing of Company’s Annual Report on Form 10-K. No pro-rated bonus will be paid for any partial year of employment except as expressly provided in Section 3.7. Notwithstanding the foregoing, Employee shall earn a minimum \$50,000 cash bonus in respect of calendar year 2022 subject to continued employment through December 31, 2022.

**3.3 Equity.** Company will grant the following equity awards to Employee pursuant to its Amended and Restated 2018 Equity Incentive Plan or any successor plan thereto (the “Plan”), subject to Employee’s execution and delivery of Company’s then-current form of award agreement and covenant agreement:

3.3.1 As of August 9, 2022 (the date of board approval), 90,000 restricted stock units, which shall vest in equal installments on June 15 and December 15 each year over three years; and

3.3.2 As of June 15 each year during the Term, subject to board and shareholder approval of sufficient additional incentive equity under the Plan, an additional award of approximately the same value as the award set forth in Section 3.3.1, determined based on the closing price of Company stock on June 15 of the applicable year (or if such date is not a trading day, the trading day immediately preceding such date), vesting in equal installments on June 15 and December 15 each year over three years.

All other terms and conditions of such awards shall be governed by the terms and conditions of the Plan and the applicable award agreement(s) and covenant agreement(s).

**3.4 Time Off.** Employee will be eligible for three weeks’ paid vacation per year and may accrue up to four weeks of paid vacation total. Employee will also be entitled to time off for illness, bereavement, parental leave and other personal matters as provided in Company’s policies in effect from time to time, which will not accrue.

**3.5 Other Employment Benefits.** Employee will be allowed to participate in Company’s other benefit plans and programs on the same basis as other Company Employees, subject to the eligibility requirements of such plans or programs. Such benefit plans and programs may be adopted, modified or terminated by Company from time to time in its sole discretion, subject to the terms of such benefit plans and applicable law, and may include, without limitation, medical, health and dental care, life insurance, disability protection, 401(k) and retirement plans.

**3.6 Expense Reimbursement.** Company shall reimburse Employee for out-of-pocket expenses reasonably incurred by Employee in the performance of Employee's duties under this Agreement, subject to Company's policies regarding expense reimbursement in effect from time to time.

**3.7 Severance.**

3.6.1 If Company terminates Employee's employment without Cause (defined below), and provided that Employee executes and returns to Company a release of claims in a form reasonably acceptable to Company that becomes fully effective within 60 days after the effective date of such termination ("Termination Date"), Company shall provide severance pay to Employee in an amount equal to the sum of: (a) three months of base salary; (b) three months of annual bonus at Employee's target amount; and (c) three months of Company's contribution to Employee's health and welfare benefits, in each case determined at the rates in effect as of the Termination Date. Severance pay will be paid over a period of three months in equal installments on Company's regular paydays, commencing on the first payday that is at least 60 days after the Termination Date; provided that the first such payment will include all sums that would have been paid had payment commenced on the first payday after the Termination Date.

3.6.2 As used in this Agreement, "Cause" means Employee's: (a) indictment for or conviction of (including plea of guilty or no-contest to) any felony or any crime involving dishonesty; (b) engagement in embezzlement, misappropriation, or fraud, (c) engagement in illegal conduct or gross misconduct in connection with Employee's employment that is materially injurious to the Group Companies, which includes sexual assault, sexual harassment, or similar misconduct; (d) refusal or intentional failure to comply with any lawful written directive of the CEO, President or Board of Directors reasonably within the scope of Employee's duties and responsibilities; (e) material breach of Employee's fiduciary duty or duty of loyalty to any Group Company; or (f) material breach of this Agreement, any other contract with any Group Company or any policy of any Group Company that is not cured (if capable of cure) within 10 business days after written notice to Employee identifying the breach; provided no such opportunity to cure shall be required if a substantially similar breach occurred within the preceding 12-month period.

**3.8 Clawback.** Notwithstanding anything in this Agreement to the contrary, any incentive-based or other compensation paid to Employee under this Agreement or any other agreement or arrangement with Company which is subject to recovery under any law, government regulation, or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, or stock exchange listing requirement (or any policy adopted by Company pursuant to any such law, government regulation or stock exchange listing requirement). Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

**4. RESTRICTIVE COVENANTS.** Employee acknowledges Employee's non-competition, non-solicitation, non-disparagement, confidentiality, and other obligations contained in the covenant agreement(s) executed by Employee in connection with Employee's equity awards. In the event of a conflict between any such covenant agreements, the legally enforceable provision affording the greatest protection to Company shall prevail. Such obligations are incorporated herein by this reference, as if set forth fully herein.

**5. INDEMNIFICATION AND INSURANCE.** In the event that Employee is made a party or threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (a "Proceeding"), other than any Proceeding initiated by Employee or any Group Company related to any dispute between Employee and such Group Company with respect to this Agreement or Employee's employment hereunder, by reason of the fact that Employee is or was a director or officer of a Group Company, or is or was serving at the request of the Company as a director, officer, member, employee, or agent of another corporation or a partnership, joint venture, trust, or other enterprise, Employee shall be indemnified and held harmless by Company to the maximum extent permitted under applicable law and Company's bylaws from and against any liabilities, costs, claims, and expenses, including all costs and expenses incurred in defense of any Proceeding (including attorneys' fees). Costs and expenses incurred by Employee in defense of such Proceeding (including attorneys' fees) shall be paid by Company in advance of the final disposition of such litigation upon receipt by Company of: (i) a written request for payment; (ii) appropriate documentation evidencing the incurrence, amount, and nature of the costs and expenses for which payment is being sought; and (iii) an undertaking adequate under applicable law made by or on behalf of Employee to repay such amounts if it is ultimately determined that Employee is not entitled to be indemnified by Company under this Agreement. In addition, during the Term and for a period of six years thereafter, Company or any successor to Company shall purchase and maintain, at its own expense, directors' and officers' liability insurance providing commercially reasonable coverage to Employee.

**6. ADDITIONAL PROVISIONS**

**5.1 Severability of Provisions.** If any of the provisions of this Agreement will be or become invalid or illegal under any provision of applicable law, the remainder of the Agreement will not be affected thereby.

**5.2 Modification; Waiver.** Except for judicial modification of restrictive covenants as provided in the covenant agreement(s) executed by Employee in connection with Employee's equity awards, this Agreement cannot be amended or modified except by a writing signed by each of the parties. No waiver of any provision will be deemed to have occurred unless memorialized in a writing signed by the waiving party. If either party should waive any breach of any provision of this Agreement, such party will not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

**5.3 Compliance with Section 409A.** The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement will be interpreted to be in compliance with Section 409A. The payment of any annual bonus is intended to be a "short term deferral" under Section 409A and any amount payable will be paid in a lump sum on a date determined by Company before the end of the "short term deferral" period" with respect to such bonus. To the extent required to avoid an accelerated or additional tax under Section 409A, amounts reimbursable to Employee under this Agreement for expenses will be paid to Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement during one year may not affect the amounts reimbursable in any subsequent year. Notwithstanding any other provision in this Agreement or in any other document, Company will not be responsible for the payment of any applicable taxes incurred by Employee pursuant to this Agreement, including with respect to compliance pursuant to Section 409A. Company makes no representation that any or all of the payments and benefits described in this Agreement will be exempt from or comply with Section 409A.

**5.4 Governing Law; Dispute Resolution.** This Agreement will be governed by the laws of the State of Colorado and applicable federal law, without regard to any state's principles regarding conflict of laws. Any action arising out of or relating to this Agreement will be subject to the arbitration or other dispute resolution provisions contained in the most recent (as of the date such action is initiated) covenant agreement executed by Employee in connection with Employee's equity awards.

**5.5 Attorney Fees.** In the event of a breach or threatened breach of this Agreement, the non-breaching party will be entitled to recover such party's attorney fees incurred as a result of such breach or threatened breach.

5.6 **Binding Effect.** This Agreement will be binding on and inure to the benefit of the parties hereto and their successors, assigns, and personal representatives and heirs; provided, however, that this Agreement may not be assignable by Employee.

5.7 **Withholding and Deductions.** All payments of base salary, bonus and severance pursuant to this Agreement will be subject to normal withholding for taxes and other applicable payroll deductions.

5.8 **Construction.** This Agreement will be deemed to have been drafted jointly by the parties, and no ambiguity in the Agreement will be construed against either Company or Employee.

5.9 **Titles and Headings.** Titles and headings in this Agreement are for purpose of reference only and will not limit, define or otherwise affect the provisions of this Agreement.

5.10 **Complete Agreement.** This Agreement (along with the other agreements referenced herein) is the entire agreement between the parties regarding the matters addressed herein, and it and supersedes and replaces all prior agreements, representations, negotiations or discussions between the parties regarding such matters, whether written or oral. This Agreement may be signed in counterparts, including fax counterparts, and all counterparts together constitute one fully-executed agreement.

EMPLOYEE:

COMPANY:

/s/ Gregory Sanders  
Gregory Sanders

GROWGENERATION CORP.

By: /s/ Darren Lampert  
Darren Lampert, CEO

Date: 8/11/2022

Date: 8/11/2022





### GrowGeneration Announces New Executives

*Realignment to leverage the deep talent that exists within GrowGen*

DENVER, August 12, 2022 /PRNewswire/ -- GrowGeneration Corp. (NASDAQ: GRWG) (“GrowGen” or the “Company”), the largest chain of specialty hydroponic and organic garden centers with 62 locations across 14 states, announced a series of organizational developments in the areas of accounting and finance and corporate affairs. This realignment is part of our ongoing efforts to better position the Company for future growth and drive long-term shareholder value.

Effective August 12, 2022, Jeff Lasher has resigned as Chief Financial Officer (“CFO”) of the Company and, concurrently, Greg Sanders, previously Vice President and Corporate Controller, has been promoted to the role of Chief Financial Officer.

“Greg has emerged as one of our Company’s brightest leaders through his contributions to the growth and success of GrowGen over the past several years. I am confident in his abilities to excel in the CFO role to deliver strong financial performance over the long term,” said Darren Lampert, Chairman and Chief Executive Officer (“CEO”).

Mr. Lampert continued, “During his nearly five-year tenure at GrowGen, Greg has supported the organization through multiple business cycles and has been deeply involved in the integration of all acquisitions and store openings. His role and responsibilities to date provide him with intimate knowledge of our industry, customers, suppliers, and employees, and he has built close working relationships with our management team, auditors, and other external advisors.”

Separately, Stephen Kozey, previously Vice President of Legal, is being promoted to General Counsel and will oversee all legal and compliance activities for the business, as well as GrowGen’s Human Resource department. He will report to CEO Darren Lampert.

“Stephen has proven to be an outstanding addition to GrowGen since joining the Company last year. He has a sharp legal mind with tremendous experience at preeminent law firms, and he has developed an excellent sense of our people, business, and industry,” said Mr. Lampert.

Regarding these realignments announced today, Mr. Lampert said, “These most recent developments are part of our broader efforts to more fully realize the longer-term opportunities that lie ahead and leverage the deep talent that exists within GrowGen.”

“Furthermore, I want to personally thank Jeff for his leadership of the accounting and finance department at GrowGen over the last year and a half, and we wish him continued success in his future endeavors.”

#### About Greg Sanders

Mr. Sanders has served as Vice President and Corporate Controller at GrowGen for nearly five years. He came to GrowGen with prior public company experience, having served in various accounting positions for Enterprise Holdings and Arrow Electronics. He also led the Finance and Accounting Department, as well as Administrative and Human Resources functions, for Machol & Johannes LLC. Mr. Sanders holds a B.S. in Accounting from the University of Minnesota.

#### About Stephen Kozey

Mr. Kozey’s experience includes mergers and acquisitions, corporate finance, securities, commercial contracts, real estate, employment and corporate governance, among other areas. Prior to joining GrowGen, Mr. Kozey worked at Bryan Cave Leighton Paisner LLP in Denver, Colorado, and Debevoise & Plimpton LLP in New York, New York, where his practice focused on representing private and public companies, founders, management teams and other stakeholders in various types of corporate and commercial transactions. Mr. Kozey holds a J.D. from Georgetown University Law Center and a B.A. from Vassar College.

#### About GrowGeneration Corp

GrowGen owns and operates specialty retail hydroponic and organic gardening centers. Currently, GrowGen has 62 stores, which include 23 locations in California, 7 locations in Colorado, 7 locations in Michigan, 5 locations in Maine, 6 locations in Oklahoma, 3 locations in Washington, 4 locations in Oregon, 1 location in Arizona, 1 location in Rhode Island, 1 location in Florida, 1 location in Nevada, 1 location in Mississippi, 1 location in New Mexico, and 1 location in Massachusetts. GrowGen also operates an online superstore for cultivators at [growgeneration.com](http://growgeneration.com). GrowGen carries and sells thousands of products, including organic nutrients and soils, advanced lighting technology and state of the art hydroponic equipment to be used indoors and outdoors by commercial and home growers.

#### Forward Looking Statements

This press release may include predictions, estimates or other information that might be considered forward-looking within the meaning of applicable securities laws. While these forward-looking statements represent current judgments, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect opinions only as of the date of this release. Please keep in mind that the company does not have an obligation to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. When used herein, words such as “look forward,” “expect,” “believe,” “continue,” “building,” or variations of such words and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are often discussed in filings made with the United States Securities and Exchange Commission, available at: [www.sec.gov](http://www.sec.gov), and on the company’s website, at: [www.growgeneration.com](http://www.growgeneration.com).

#### Contacts

Investors:  
Clay Crumbliss, CFA  
ICR, Inc.

