

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

SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

- Filed by the Registrant
 Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under Section 240.14a-12

GROWGENERATION CORP.
(Exact name of Registrant as specified in its charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.
 Fee paid previously with preliminary materials.
 Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.
-

GROWGENERATION CORP.
5619 DTC Parkway, Suite 900
Greenwood Village, Colorado 80111
(800) 935-8420

**NOTICE OF 2024 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 20, 2024**

To the Shareholders of GrowGeneration Corp.:

The 2024 Annual Meeting of Shareholders (the "Annual Meeting") of GrowGeneration Corp., a Colorado corporation (the "Company"), will be held on Thursday, June 20, 2024 at 4:00 p.m., Eastern Daylight Time. To facilitate broader shareholder attendance and cost savings, it will be a virtual meeting. Shareholders may attend, vote, and submit questions via live webcast by visiting www.virtualshareholdermeeting.com/GRWG2024. Prior to the Annual Meeting, you will be able to vote over the Internet, by phone, or by mail.

The Annual Meeting will be for the following purposes:

1. To elect five directors to the Board of Directors of the Company to serve until the Company's 2025 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified;
2. To conduct an advisory vote on the compensation paid to the Company's named executive officers;
3. To approve and ratify the amendment and restatement of the Company's Amended and Restated 2018 Equity Incentive Plan, as set forth in Exhibit A attached to the Proxy Statement;
4. To approve and ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm to audit the Company's financial statements as of December 31, 2024 and for the fiscal year then ending; and
5. To transact such other business as may properly be brought before the Annual Meeting, and at any adjournments or postponements of the Annual Meeting.

Holders of record of the Company's Common Stock at the close of business on April 22, 2024 (the "Record Date") are entitled to notice of, to attend, and to vote at the Annual Meeting and any adjournments or postponements thereof. If there are insufficient shares present in person or represented by proxy at the Annual Meeting in order to obtain a quorum, the Annual Meeting may be adjourned or postponed to permit further solicitation of proxies.

EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR SHARES OVER THE INTERNET, BY TELEPHONE, OR BY MAIL SO THAT YOUR SHARES WILL BE REPRESENTED WHETHER OR NOT YOU ARE ABLE TO ATTEND. THE PROMPT RETURN OF PROXIES WILL SAVE US THE EXPENSE OF FURTHER REQUESTS FOR PROXIES TO ENSURE A QUORUM AT THE ANNUAL MEETING. VOTING OVER THE INTERNET, BY TELEPHONE, OR BY MAIL WILL NOT LIMIT YOUR RIGHT TO ATTEND THE ANNUAL MEETING AND/OR VOTE YOUR SHARES IN PERSON.

By Order of the Board of Directors,



Darren Lampert, Chief Executive Officer
Denver, Colorado
April 26, 2024

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD
ON THURSDAY, JUNE 20, 2024**

The Notice of the 2024 Annual Meeting of Shareholders, the Proxy Statement, and the Annual Report for Fiscal Year ended December 31, 2023 are available on the Internet at www.proxyvote.com. Please have your 16-digit control number (included in your Notice, on your proxy card, or in the instructions that accompanied your proxy materials) in hand when accessing this website.

Grow Generation®

WHERE THE PROS GO TO GROW



**PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD JUNE 20, 2024**

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Why did I receive this Proxy Statement?

The Board of Directors (the “Board”) of GrowGeneration Corp. (“GrowGeneration” or the “Company”) is furnishing this Proxy Statement to solicit proxies on its behalf to be voted at the 2024 Annual Meeting of Shareholders of the Company (the “Annual Meeting”) or at any adjournment or postponement thereof. The Annual Meeting is scheduled to be held on Thursday, June 20, 2024 at 4:00 p.m., Eastern Daylight Time, virtually at www.virtualshareholdermeeting.com/GRWG2024. This Proxy Statement summarizes the information you need to know to vote by proxy or in person at the Annual Meeting. You do not need to attend the Annual Meeting in person in order to vote. Prior to the Annual Meeting, you will be able to vote over the Internet, by phone, or by mail.

When is this Proxy Statement first being sent or made available to shareholders?

We will begin mailing the Notice of the Annual Meeting (the “Notice”) on or shortly after the date of this Proxy Statement to holders of record of the Company’s Common Stock, par value \$0.001 per share (the “Common Stock”), as of the close of business on April 22, 2024 (the “Record Date”). As indicated in the Notice, this Proxy Statement and other materials are available on the Internet at www.proxyvote.com. Shareholders may request to receive a full package of the proxy materials by following the instructions included in the Notice.

Who is entitled to vote at the Annual Meeting?

Holders of record of Common Stock as of the close of business on the Record Date are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting. As of close of business on the Record Date, there were 61,508,734 shares of Common Stock issued and outstanding.

What is the quorum for the meeting?

The presence, in person or by proxy, of one-third of the outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes (described below) will be counted as present for purposes of determining the presence of a quorum but will not be counted as present for any other purpose, including voting (described below). No business may be conducted at the Annual Meeting if a quorum is not present. If a quorum is not present, a majority of the shares represented at the Annual Meeting may adjourn the Annual Meeting to another date, time, and/or place. Notice need not be given of the new date, time, or place if announced at the meeting before an adjournment is taken, unless a new record date is fixed for the Annual Meeting or the meeting is adjourned for more than 60 days (in which case a notice of the adjourned meeting will be given to each shareholder of record entitled to vote at the meeting). At any such adjourned meeting, the presence, in person or by proxy, of a majority of the shares entitled to vote at the adjourned meeting is necessary to constitute a quorum.

How can I attend the meeting?

The Annual Meeting will be a completely virtual meeting to facilitate broader shareholder attendance and cost savings. To attend and participate in the virtual Annual Meeting, please visit www.virtualshareholdermeeting.com/GRWG2024 and have available the 16-digit control number included in your Notice, on your proxy card, or in the instructions that accompanied your proxy materials. You are entitled to participate in the virtual Annual Meeting only if you have a 16-digit control number. If you hold shares as a beneficial owner in “street name” and do not receive a 16-digit control number from the Company, please follow the instructions on how to generate the control number from your broker, bank, or other institution.

Online access to the virtual Annual Meeting will open at approximately 3:45 p.m., Eastern Daylight Time, on Thursday, June 20, 2024 to allow time for shareholders to log in and test the computer audio system. If you experience any technical difficulties, please call the phone number displayed on the meeting website.

Even if you plan to attend the Annual Meeting, the Company recommends that you vote your shares in advance, so that your vote will be counted if you later decide not to attend.

How many votes do I have?

Each share of Common Stock entitles its owner to one vote on all matters brought before the Annual Meeting.

How do shareholders of record vote?

If you are a record holder, which means your shares are registered in your name, you may vote or submit a proxy:

1. *Over the Internet* — If you have Internet access, you may go to www.proxyvote.com and complete the electronic proxy card. You must specify how you want your shares voted, or your vote will not be registered and you will receive an error message. Your shares will be voted according to your instructions.
2. *By Telephone* — You may authorize the voting of your shares by calling 1-800-690-6903 using a touch-tone telephone. You must specify how you want your shares voted, or your vote will not be registered and you will receive an error message. Your shares will be voted according to your instructions.
3. *By Mail* — If you have chosen to receive a full package of proxy materials, you may mail your completed proxy card by following the mailing instructions in the proxy card and using the postage prepaid envelope provided. Your shares will be voted according to your instructions. If you sign your proxy card but do not specify how you want your shares voted, they will be voted in accordance with the recommendations of the Board. Unsigned proxy cards will not be voted.
4. *In Person* — If you attend the virtual Annual Meeting in person, you may vote your shares electronically at the Annual Meeting through the virtual shareholder meeting portal.

How do I vote my shares if they are held by my broker?

If you hold your shares through a broker, bank, or other financial institution, you are considered the beneficial owner of shares held in “street name” and you will receive instructions on how to vote from your broker, bank, or other institution. The voting deadlines and availability of mail, telephone, and Internet voting for beneficial owners of shares held in “street name” depends on the voting processes of the organization that holds your shares. Therefore, we urge you to carefully review and follow the voting instruction card and any other materials that you receive from that organization.

As a beneficial owner, if you have the 16-digit control number and attend the virtual Annual Meeting, you may vote your shares or change your votes at the virtual meeting.

What am I voting on?

At the Annual Meeting, shareholders will be asked:

1. To elect Darren Lampert, Michael Salaman, Eula Adams, Stephen Aiello, and Star Carter to the Board, to serve until the Company’s 2025 Annual Meeting of Shareholders and until their respective successors are duly elected and qualified;
2. To provide an advisory vote to approve the compensation paid to the Company’s named executive officers pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Say-on-Pay”);
3. To approve and ratify the amendment and restatement of the Company’s Amended and Restated 2018 Equity Incentive Plan, as set forth in [Exhibit A](#) attached to this Proxy Statement;
4. To approve and ratify the appointment of Grant Thornton LLP as the Company’s independent registered public accounting firm to audit the Company’s financial statements as of December 31, 2024 and for the fiscal year then ending; and
5. To transact such other business as may properly be brought before the Annual Meeting, and at any adjournments or postponements of the Annual Meeting.

What vote is required for each proposal?*Proposal 1 – Election of Directors*

If a quorum is present, directors will be elected pursuant to the affirmative vote of a plurality of the shares of Common Stock present in person or represented by proxy at the Annual Meeting. This means that the five nominees who receive the most affirmative votes will be elected to the Board.

Proposal 2 – Say-on-Pay

If a quorum is present, the non-binding approval of named executive officer compensation as disclosed in this Proxy Statement will require the number of votes cast in favor of the proposal to exceed the number of votes cast against the proposal.

Proposal 3 – Equity Plan Amendment

If a quorum is present, the approval and ratification of the amendment and restatement of the Company's Amended and Restated 2018 Equity Incentive Plan will require the number of votes cast in favor of the proposal to exceed the number of votes cast against the proposal.

Proposal 4 – Independent Auditor

If a quorum is present, the approval and ratification of the appointment Grant Thornton LLP as the Company's independent registered public accounting firm for the 2024 fiscal year will require the number of votes cast in favor of the proposal to exceed the number of votes cast against the proposal.

How are abstentions and broker “non-votes” treated?*Abstentions*

Pursuant to Colorado law, abstentions are counted as present for purposes of determining the presence of a quorum at the Annual Meeting. Abstentions will have no effect on Proposal 1 (Election of Directors), as this proposal is decided by a plurality of the votes cast. Abstentions will also have no effect on Proposal 2 (Say-on-Pay), Proposal 3 (Equity Plan Amendment), or Proposal 4 (Independent Auditor), as only votes “For” or “Against” will be counted for these proposals.

Broker “non-votes”

Broker non-votes occur when a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed “non-routine.” Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be “routine,” such as the ratification of the appointment of the independent auditor, but may not vote those shares with respect to “non-routine” matters, such as the election of directors.

Broker non-votes are counted to determine whether a quorum is present at a shareholders' meeting if at least one routine matter will be voted on at the meeting. Accordingly, broker non-votes will be counted as present for purposes of determining the presence of a quorum at the Annual Meeting but will not be counted as present for any other purpose. As a result, broker non-votes will not have any effect on the approval of the proposals contained in this Proxy Statement.

What happens if I submit or return my proxy card without voting?

If you properly submit your proxy via the Internet, telephone, or mail, the shares it represents will be voted at the Annual Meeting in accordance with your directions. If you properly submit your signed proxy with no direction, the proxy will be voted as recommended by the Board.

Can I change my vote after I have voted?

If you have submitted a proxy pursuant to this solicitation, you may revoke such proxy at any time prior to its exercise by:

- written notice delivered to the Corporate Secretary at 5619 DTC Parkway, Suite 900, Greenwood Village, CO 80111;
- executing and delivering a proxy with a later date;
- submitting an Internet or telephone vote with a later date; or
- attending the Annual Meeting and voting in person.

With respect to Internet and telephone votes, the last vote transmitted will be the vote counted. Attendance at the Annual Meeting will not, in itself, constitute revocation of a proxy.

If you are the beneficial owner of shares held in street name, you must submit new voting instructions to your broker, bank, or other nominee pursuant to the instructions you receive from them.

Will anyone contact me regarding this vote?

No arrangements or contracts have been made with any proxy solicitors as of the date of this Proxy Statement. However, the Company may retain a proxy solicitor if it appears reasonably likely that it may not obtain a quorum to conduct the Annual Meeting. In addition, the Company's directors, officers, and employees may solicit proxies in person or by telephone or e-mail; however, these persons will not receive any additional compensation for any such solicitation efforts.

Brokerage firms, nominees, custodians, and fiduciaries also may be requested to forward proxy materials to the beneficial owners of shares held as of the Record Date.

How will voting results be communicated?

Preliminary voting results will be announced at the Annual Meeting. We will publish preliminary, or final results if available, in a Current Report on Form 8-K within four business days of the Annual Meeting. If final results are unavailable at the time we file the Form 8-K, then we will file an amended report on Form 8-K to disclose final voting results within four business days after final voting results are known.

How do I submit questions for the Annual Meeting?

Shareholders may submit questions before or after the Annual Meeting by contacting the Corporate Secretary by mail at GrowGeneration Corp., 5619 DTC Parkway, Suite 900, Greenwood Village, CO 80111. Shareholders may also submit questions during the Annual Meeting via the virtual shareholder meeting portal.

Who has paid for this proxy solicitation?

All expenses incurred in connection with the solicitation of proxies, including the printing and mailing of this Proxy Statement and related materials, will be borne by the Company.

How do I obtain a list of GrowGeneration's shareholders?

A list of GrowGeneration's shareholders as of the Record Date for the Annual Meeting will be available for inspection at corporate headquarters, located at 5619 DTC Parkway, Suite 900, Greenwood Village, Colorado 80111, during normal business hours beginning the earlier of ten days immediately prior to the Annual Meeting or two business days after the notice of the Annual Meeting is given, and continuing through the Annual Meeting, and any adjournment or postponement thereof.

How do I submit a proposal for the 2025 Annual Meeting of Shareholders?

For a shareholder proposal to be considered for inclusion in GrowGeneration's 2025 Annual Meeting of Shareholders, it must be submitted in writing together with proof of stock ownership and received by the Corporate Secretary at corporate headquarters, located at 5619 DTC Parkway, Suite 900, Greenwood Village, CO 80111, no later than December 31, 2024. All shareholder proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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BOARD OF DIRECTORS

General

Pursuant to the Company's bylaws and the Colorado Business Corporations Act, management of the affairs, property, and business of the Company is vested in its Board of Directors (the "Board"). The Board may (and does) delegate certain aspects of its management authority to others, including to Committees of the Board ("Committees") and officers and employees of the Company.

Shareholder Engagement and Response

Our Board and management team welcome and encourage communications and feedback from shareholders. Following the 2023 Annual Meeting of Shareholders, management and directors engaged with several large institutional shareholders, in particular to discuss executive compensation and corporate governance matters. Management and the Board closely considered feedback communicated from such shareholders on these matters, as well as their applicable written proxy voting guidelines and those of major proxy advisory firms.

As a result of shareholder engagement efforts, the Board has taken several steps in response to shareholder communications and feedback, including the following:

- *Board Diversity and Refreshment* — Appointing a female to the Board to fill a vacancy created by the departure of a director who had served on the Board for several years, enhancing the diversity of our Board and providing fresh perspective.
- *Lead Independent Director* — Appointing a lead independent director to reinforce management accountability and Board independence.
- *Share Ownership Guidelines* — Adopting share ownership guidelines for directors and executive officers to strengthen the connection between the interests of directors and executive officers, on the one hand, and the Company and its shareholders, on the other hand.
- *Executive Bonuses* — Adopting a 2024 short-term cash incentive program featuring multiple performance measures, including an environmental-related measure, and a new long-term cash incentive program, designed to collectively better support the connection between executive pay and Company performance.
- *Compensation Clawback* — Adopting a compensation clawback policy to avoid erroneously paying incentive compensation to executive officers.
- *Equity Plan Features* — Adopting amendments to the Company's Amended and Restated 2018 Equity Incentive Plan, including to expressly prohibit option repricing and backdating, to impose minimum vesting periods, and to implement a "double-trigger" change-in-control mechanic.

While the Board believes that the steps outlined above represent significant improvements in response to shareholder communications and feedback, the Board expects to continue making improvements upon its executive compensation and corporate governance practices in the future, such as including performance vesting criteria in a portion of future equity awards to executive officers.

Board Role and Risk Oversight

The Board's primary responsibility is to seek to maximize long-term shareholder value. In discharging this responsibility, the Board selects management of the Company, monitors management and performance of the Company, provides advice and counsel to management, reviews the Company's business strategies and results, and approves its budget and certain major transactions, among other things.

Management keeps the Board informed through regular communication, including reports and presentations at Board and Committee meetings. Non-employee directors also have full access to management, external auditors, legal counsel, and other advisers and conduct separate executive sessions without Company management present as and when they deem appropriate. The Board believes this approach is operating effectively to provide independent analysis and decision-making.

Effective risk oversight is an important priority of the Board. The Board is responsible for monitoring and assessing strategic risk exposure, and executive officers are responsible for the day-to-day management of the material risks the Company faces. The Board discusses risks throughout the year generally and in connection with specific matters or proposed actions. The Board's approach to risk oversight includes understanding the critical risks in

GrowGeneration's business and strategy, evaluating risk management practices, allocating responsibilities for risk oversight, and fostering a culture of integrity and compliance with legal and ethical responsibilities.

Importantly, the Board's risk oversight includes risks from cybersecurity threats. The Board administers its cybersecurity risk oversight function primarily through the Audit Committee. The Company's Chief Information Officer provides periodic briefings to the Audit Committee regarding cybersecurity risks and activities, including recent cybersecurity incidents and related responses, if any, cybersecurity policies and procedures, activities of third parties, and more.

The Board also oversees environmental, social, and governance ("ESG") matters, such as climate change, diversity, equity, and inclusion, and shareholder engagement. The Board recently amended the Charter of the Nominating and Corporate Governance Committee ("Governance Committee") to expressly delegate primary responsibility for oversight of ESG matters to the Governance Committee. The Audit Committee also assesses existing and proposed disclosure and other requirements related to environmental matters as part of its oversight of financial reporting. Finally, as part of our 2024 executive bonus program, the Compensation Committee included an incentive for achievement of certain environmental goals, as further described in Compensation Discussion and Analysis below.

Board Leadership Structure

The Board has not adopted a formal policy on whether the Chairperson of the Board ("Chairperson") and the Chief Executive Officer ("CEO") positions should be held by different individuals. This approach allows the Board to select the most qualified director as Chairperson while maintaining the ability to separate the Chairperson and CEO roles when deemed to be in the best interests of the Company and its shareholders. The Board has, however, adopted a Lead Independent Director Charter, which calls for the Board to appoint a lead independent director when the positions of Chairperson and CEO are held by the same individual. Pursuant to the Lead Independent Director Charter, the lead independent director is empowered to, among other things: (i) act as the primary liaison between management and independent directors; (ii) call and preside at meetings of independent directors; (iii) advise the Chairperson in setting Board meeting agendas and assessing information provided to the Board by management; (iv) engage outside advisors on behalf of the independent directors; and (v) consult and communicate with major shareholders directly. In addition, each Committee is composed entirely of independent directors. The Board believes that this leadership structure encourages effective strategy development and operational execution balanced with appropriate independent oversight.

The Board is currently chaired by Darren Lampert, who also serves as CEO. At this time, the Board believes that combining the roles of Chairperson and CEO is in the best interests of the Company and its shareholders because the Company can fully utilize the talent and experience of Mr. Lampert. In particular, the Board believes that having a combined Chairperson and CEO facilitates a seamless and regular flow of information together with unified leadership as between the Board and management, which has benefited the Company during the recent industry downturn by supporting the Company's ability to adapt its business to changing conditions quickly and effectively. As a result of the Chairperson and CEO positions currently being held by the same individual, the Board has appointed Eula Adams to serve as lead independent director pursuant to the Lead Independent Director Charter, described immediately above.

Board Composition

The Company's bylaws provide that the size of the Board is determined from time to time by resolution of the Board but may not consist of less than one director or more than ten directors. As of the date of this Proxy Statement, the Board has five members. The Company does not have a classified Board, so each director must stand for re-election annually. If any member or nominee is unable to serve as a director, or if any director leaves the Board between Annual Meetings, the Board may reduce the number of directors or elect an individual to fill the resulting vacancy.

The Board does not currently maintain any formal policy regarding board refreshment, such as age or term limits. Instead, the Board believes that it is in the Company's and its shareholder's best interest to maintain flexibility to help the Company retain the most qualified candidates to serve on the Board. The Governance Committee and the Board do, however, consider age and tenure when evaluating directors to be recommended for nomination or nominated to the Board.

In connection with the Governance Committee's and the Board's assessment of the composition of the Board following the 2023 Annual Meeting of Shareholders, the Governance Committee and the Board determined that it was in the best interest of the Company and its shareholders to (i) effective April 23, 2024, accept the retirement and resignation of Paul Ciasullo from the Board and (ii) effective April 25, 2024, appoint Starlett (Star) Carter to

the Board to fill the vacancy created by Mr. Ciasullo's resignation. The Governance Committee and the Board believe that Ms. Carter's appointment enhances Board diversity and provides valuable experience, perspective, and insight to the Board and its Committees.

Board Diversity

In assessing the appropriate composition of the Board, the Governance Committee considers all relevant factors, including diversity. The Governance Committee has not adopted a formal diversity policy in connection with the consideration of director nominations or the selection of nominees. However, the Committee will consider issues of diversity among its members in identifying and considering nominees for director, and strive where appropriate to achieve a diverse balance of backgrounds, perspectives, experience, age, gender, ethnicity, and other characteristics on the Board and Committees.

Set forth below is certain information regarding the diversity of current Board members:

Total Number of Directors	Board Diversity Matrix (As of April 26, 2024)			
	Female	Male	Non-Binary	Did Not Disclose Gender
			5	
Part I: Gender Identity				
Directors	1	4	—	—
Part II: Demographic Background				
African American or Black	1	1	—	—
Alaskan Native or Native American	—	—	—	—
Asian	—	—	—	—
Hispanic or Latinx	—	—	—	—
Native Hawaiian or Pacific Islander	—	—	—	—
White	—	3	—	—
Two or More Races or Ethnicities	—	—	—	—
LGBTQ+	—	—	—	—
Did Not Disclose Demographic Background	—	—	—	—

Director Independence

The Board is composed of a majority of "independent" directors within the meaning of the rules of Nasdaq Capital Market.

The Board examines the independence of the directors at least annually. The following directors were determined to be independent as of the last time the Board reviewed director independence: Eula Adams, Stephen Aiello, and Star Carter.

For a director to be considered independent, the Board must determine that the director does not have any relationship with the Company or any of its affiliates, either directly or as a partner, shareholder, or officer of an organization that has such a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

A director will not be considered independent if, among other things, the director has:

- Been employed by the Company or its affiliates at any time in the current year or during the past three years;
- Accepted, or a family member who accepted, any payments from the Company or its affiliates in excess of \$120,000 during any period of 12 consecutive months within the preceding three years (except for board services, retirement plan benefits, or non-discretionary compensation);
- A family member who is, or has been in the past three years, employed by the Company or its affiliates as an executive officer;

- Been, or a family member who has been, a partner, controlling shareholder, or an executive officer of any “for profit” business to which the Company made or from which it received payments (other than those which arise solely from investments in the Company’s securities) that exceed 5% of the entity’s or the Company’s consolidated gross revenues for that year, or \$200,000, whichever is more, in any of the preceding three years;
- Been, or a family member who has been, employed as an executive officer of another entity where, at any time during the past three years, any of the Company’s executive officers serve on that entity’s compensation committee; or
- Been, or has a family member who has been, employed as a partner or employee of the Company’s outside auditors in any of the preceding three years.

Board Committees

The Board has established three committees: the Audit Committee, the Compensation Committee, and the Governance Committee. Each Committee is composed entirely of independent directors (see *Director Independence* above). The Board has adopted a charter for each Committee, each of which is available on the Company’s investor relations website at ir.growgeneration.com.

The current members of each Committee are set forth in the table below.

Director Name	Audit Committee	Compensation Committee	Governance Committee
Eula Adams	X*	X	
Stephen Aiello	X	X*	X*
Star Carter	X	X	X

* Denotes Chairperson

Prior to his retirement and resignation on April 23, 2024, Paul Ciasullo was a member of each Committee. Effective April 25, 2024, the Board appointed Star Carter to fill the vacancies on the Committees created by Mr. Ciasullo’s retirement and resignation.

Audit Committee

During the fiscal year ended December 31, 2023, the Audit Committee held four meetings.

The purpose of the Audit Committee is to perform and to assist the Board in fulfilling its oversight responsibility relating to: (i) the Company’s financial statements and financial reporting and the Company’s systems of internal accounting and financial controls; (ii) the integrity of the Company’s financial statements; (iii) the appointment, retention, and performance of the internal auditors, if applicable; (iv) the annual independent audit of the Company’s financial statements, the engagement and compensation of the independent auditors, and the evaluation of the independent auditors’ qualifications, independence, and performance; (v) the compliance by the Company with legal and regulatory requirements, including the Company’s disclosure controls and procedures; (vi) the evaluation of management’s process to assess and manage the Company’s enterprise risk issues, including cybersecurity risks; and (vii) the fulfillment of the other responsibilities delegated to the Audit Committee by the Board of Directors.

The Board has determined that all Audit Committee members are independent directors and that Mr. Adams qualifies as an “audit committee financial expert” within the meaning of the rules of the Securities Exchange Commission (the “SEC”) and Nasdaq Capital Markets.

Compensation Committee

During the fiscal year ended December 31, 2023, the Compensation Committee held two meetings.

The Board has established a Compensation Committee for the purposes of: (i) reviewing, determining, and approving all forms of compensation and the terms thereof to be provided to the Company’s executive officers and monitoring the executive officers’ determination of any equity compensation to be provided to other employees and consultants of the Company; (ii) setting goals for and monitoring the performance of the Company’s executive officers; (iii) administering the Company’s stock-based compensation plans; (iv) administering the Company’s

incentive compensation clawback policy; and (v) reviewing and approving public disclosures and reporting relating to the Company's compensation arrangements.

The Board has determined that all Compensation Committee members are independent directors. None of the members of the Compensation Committee has at any time during the last fiscal year been an affiliate of the Company or a subsidiary of the Company, nor has any Compensation Committee member received any consulting or advisory fee from the Company.

Nominating and Corporate Governance Committee

During the fiscal year ended December 31, 2023, the Governance Committee held one meeting.

The purpose of the Governance Committee is to: (i) oversee all aspects of the Company's corporate governance functions on behalf of the Board; (ii) make recommendations to the Board regarding corporate governance issues; (iii) identify, review, and evaluate candidates to serve as directors of the Company and review and evaluate incumbent directors, in each case consistent with criteria approved by the Board and applicable law and securities exchange rules; (iv) select or recommend to the Board for selection candidates to the Board to serve as nominees for director for the annual meeting of shareholders; (v) assist the Board to establish and oversee the Company's environmental, social, and corporate governance initiatives and programs; and (vi) make other recommendations to the Board regarding affairs relating to the directors of the Company, including director compensation.

The Board has determined that all Governance Committee members are independent directors.

Board Meetings

During the fiscal year ended December 31, 2023, the Board held six meetings. No director attended less than 75% of all board meetings during the fiscal year ended December 31, 2023, to the extent such director was a director as of the date of such meetings. No director attended less than 75% of all meetings of any committee on which such director served during the fiscal year ended December 31, 2023, to the extent such director was a director as of the date of such meetings.

All current Board members and all nominees for election to the Board are encouraged but not required to attend the Annual Meeting.

Director Compensation

During the fiscal year ended December 31, 2023, each non-employee director of the Company received cash compensation of \$2,000 per month and an equity grant of 20,000 shares of Common Stock for services rendered as a director. The Chairperson of the Audit Committee received an additional 5,000 shares of Common Stock. Directors who are employees of the Company receive no separate compensation for their service as directors.

In addition to cash and equity-based compensation, non-employee directors receive reimbursement of all reasonable travel and other expenses for attending Board meetings and certain other Company-related functions.

Director Compensation Philosophy

Our director compensation program is intended to enable us to attract and retain qualified non-employee directors by providing compensation that is competitive with other companies, and to align directors' interests with shareholders' interests by including equity as a significant portion of the compensation package.

In setting director compensation, we consider compensation offered to directors by other companies, the amount of time that our directors spend providing services to us, the experience, skill, and expertise that our directors possess, and the performance of the Company.

Non-Employee Director Compensation

The following table summarizes the compensation paid to each non-employee director in 2023.

Name	Fees Earned or Paid in Cash		Stock Awards (1)		All Other Compensation	Total
Eula Adams	\$	24,000	\$	73,500	—	\$ 97,500
Stephen Aiello	\$	24,000	\$	58,800	—	\$ 82,800
Paul Ciasullo (2)	\$	24,000	\$	58,800	—	\$ 82,800

- (1) The amounts reflect the aggregate grant date fair value of restricted stock granted in 2023. The grant date fair value was determined using the value of the underlying shares of Common Stock on the applicable date of grant computed in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic No. 718, Compensation-Stock Compensation (FASB ASC Topic 718), excluding the effect of any estimated forfeitures. These amounts may not correspond to the actual value eventually realized by the director, which depends in part on the market value of our Common Stock in future periods. Assumptions used in the calculation of these amounts are described in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC.
- (2) Paul Ciasullo resigned from the Board effective April 23, 2024, and the Board appointed Star Carter to the Board effective April 25, 2024 to fill the vacancy.

Director Nomination Process

The process of reviewing and making recommendations for nominations and appointments to the Board is the responsibility of the Governance Committee. In reviewing director nominees, the Governance Committee evaluates each nominee's overall credentials and background but does not have any specific eligibility requirements or minimum qualifications. In general, directors are expected to have the education, business, and other experience and insight necessary to contribute to the Board's performance of its functions, the interest and time to be actively engaged with the Company's management team, and the functional skills, leadership, diversity, experience, and other attributes that the Board believes will contribute to the development and expansion of the Board's knowledge and capabilities.

The Governance Committee generally utilizes the following process for identifying and evaluating nominees to the Board. In the case of incumbent directors, each year the Governance Committee informally reviews each director's overall service to the Company during the prior year, including the number of meetings attended, level of participation, and performance, as well as the duration of such director's tenure on the Board. In the case of new director nominees, the Governance Committee may solicit from existing directors the names of potential nominees who meet the criteria above, consider nominees suggested by our shareholders, or engage a professional search firm. To date, the Governance Committee has not engaged a professional search firm to identify or evaluate potential nominees, but it retains the right to do so in the future, if necessary. In the case of both incumbent directors and new director nominees, the Governance Committee considers each director's or nominee's responses provided in the latest director questionnaire provided by such director or nominee, including information regarding independence, experience and expertise, and professional commitments outside the Company. The Governance Committee considers nominees' qualifications and then chooses nominees to recommend to the Board by majority vote. In turn, the Board, taking into account the recommendations of the Governance Committee and acting by majority vote, selects nominees to stand for election.

Shareholder Nominations

The Governance Committee has the authority to consider nominations for directors made by the Company's shareholders. To be considered, the shareholder's nomination must contain: (i) the name and address of each proposed nominee; (ii) the principal occupation of each proposed nominee; (iii) the total number of shares of the Company's capital stock that will be voted for each proposed nominee; (iv) the name and residence address of the notifying shareholder; and (v) the number of our shares of capital stock owned by the notifying shareholder. In addition, the nomination should include any other information relating to the proposed nominee required to be included in a proxy statement filed pursuant to the proxy rules of the SEC and the nominee's written consent to serve as a director if elected.

Communications with Directors

Our directors welcome and encourage communications from shareholders. Shareholders who wish to communicate with the Board, a Committee, or one or more individual directors may do so by contacting the Corporate Secretary by mail at GrowGeneration Corp., 5619 DTC Parkway, Suite 900, Greenwood Village, CO 80111. The Corporate Secretary will refer such communication to the Board, such Committee, or such individual director(s), as applicable.

Human Capital Management

Diversity and Inclusion

GrowGeneration is committed to fostering a diverse and inclusive workplace where every employee feels welcomed, valued, and respected. We believe that diversity of thought, backgrounds, and experience is essential for driving innovation and achieving our business goals.

We actively seek to recruit, develop, and retain a diverse workforce that reflects the communities we serve. We are committed to providing equal opportunities for all candidates and employees and creating an environment where everyone can thrive and reach their full potential. To support this commitment, we promote awareness, understanding, inclusion, and respect of all individuals through employee trainings.

Demographics

GrowGeneration is proud to employ individuals from various backgrounds, cultures, perspectives, and experiences. Our workforce is comprised of various demographics, including but not limited to gender, age, race, ethnicity, sexual orientation, and disability status. For example, 35% of our employee group self-identifies as ethnically diverse. We continuously strive to improve diversity, equity, and inclusion and are dedicated to promoting a culture of belonging for all.

Health, Wellness, and Family Benefits

We believe that a healthy workforce is essential for individual and organizational success. As such, our wellness program is designed to support employees in achieving their personal health and financial goals and maintaining a healthy work-life balance.

GrowGeneration offers a range of wellness benefits, including access to fitness facilities and monthly reimbursements for fitness activity, mental health resources, nutrition counseling, financial management resources, and preventive health screenings. We contribute towards employee medical insurance premiums, and we offer a company paid life insurance policy. We also offer a suite of voluntary employee-paid benefits, such as dental, vision, short-term and long-term disability, accident indemnity, critical illness, and a 401(k) retirement plan.

We also have a paid parental leave policy designed to provide employees with the flexibility they need to balance their work and family responsibilities, regardless of gender or whether they become a parent through birth, adoption, or foster care placement. In addition, we provide resources to help employees transition back to work after leave, which include flexible work arrangements, access to lactation rooms, and employee assistance programs through our healthcare provider.

Professional Development and Growth Opportunities

We believe that our employees are our most valuable asset. Through our various training programs, career advancement opportunities, and our employee recognition program, we help empower our workforce to reach their full potential. Recognizing and celebrating employee achievements, milestones, and contributions not only enhances individual performance but also strengthens our organizational and workplace culture.

Code of Ethics and Business Conduct

All officers, directors, and employees of the Company are obligated to abide by the Company's Code of Ethics and Business Conduct, which, among other things, requires ethical behavior and compliance with applicable laws and regulations. The Board reviews the Code of Ethics and Business Conduct at least annually and makes updates as necessary. A copy of the Code of Ethics and Business Conduct adopted by the Board is available on the Company's investor relations website [at ir.growgeneration.com](http://ir.growgeneration.com).

Insider Trading Policy

The Board has adopted an Insider Trading Policy that sets forth restrictions and procedures regarding trading by insiders in securities of the Company. The Board reviews the Insider Trading Policy at least annually and makes updates as necessary.

Share Ownership Guidelines

The Compensation Committee and the Governance Committee have adopted Share Ownership Guidelines that apply to directors and executive officers of the Company. Pursuant to the guidelines, directors are required to attain and maintain a minimum level of ownership of shares of the Company's Common Stock equal to the lesser of (i) 25,000 shares and (ii) 100% of the annual cash retainer amount. The Compensation Committee reviews the Share Ownership Guidelines at least annually and makes updates as necessary.

Involvement in Certain Legal Proceedings

To our knowledge, during the past ten years, none of our directors, executive officers, promoters, control persons, or nominees has:

- been convicted in a criminal proceeding or is a named subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had a petition under the federal bankruptcy law or any state insolvency law filed by or against the business or property of the person, or of any partnership, corporation, or business association of which the person was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending, or otherwise limiting for more than 60 days, involvement in any type of business practice, securities, futures commission merchant, commodities, leverage transaction merchant, investment adviser, banking company, savings and loan association, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended, or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation or any law or regulation respecting financial institutions or insurance companies, including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty, temporary or permanent cease-and-desist order, removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity, or organization that has disciplinary authority over its members or persons associated with a member.

Limitation of Directors Liability and Indemnification

The Colorado Business Corporations Act authorizes corporations to limit or eliminate, subject to certain conditions, the personal liability of directors to corporations and their shareholders for monetary damages for certain breaches of their fiduciary duties. The bylaws of the Company provide that the Company will indemnify its directors and officers who, by reason of the fact that he or she is one of the Company's officers or directors, is involved in a legal proceeding of any nature.

The Company has purchased director and officer liability insurance to cover certain liabilities its directors and officers may incur in connection with their services to the Company.

As of the date of this Proxy Statement, the Company is not aware of any pending litigation or proceeding involving any of our directors, officers, employees, or agents in which indemnification will be required or permitted. The Company is not aware of any threatened litigation or proceeding that would reasonably be expected to result in a claim for such indemnification.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's officers, directors, and persons who own more than ten percent of the issued and outstanding shares of Common Stock to file reports of beneficial ownership and changes in beneficial ownership with the SEC and to furnish copies of all Section 16(a) forms to the Company. Based solely upon a review of Section 16(a) forms furnished to the Company, the Company believes all reports required to be filed under Section 16(a) with the SEC were timely filed in 2023, with the following exceptions:

- Each of our directors, Eula Adams, Stephen Aiello, and Paul Ciasullo, filed a Form 4 late on August 15, 2023 related to a share issuance on August 10, 2023.
- Each of our executive officers, Darren Lampert, Michael Salaman, and Greg Sanders, filed a Form 4 late on December 27, 2023 related to a share issuance on December 15, 2023.

Report of Audit Committee

The Audit Committee is currently comprised of three members, identified under *Corporate Governance - Board of Directors - Board Committees* above. Based on the review described above under *Corporate Governance - Board of Directors - Director Independence* our Board has determined that each member of the Audit Committee is independent as defined in the applicable standards and rules of the Nasdaq Capital Market and the SEC. The duties and responsibilities of the Audit Committee are set forth in the Audit Committee Charter.

In accordance with its Charter adopted by the Board, the Audit Committee has oversight responsibility for the quality and integrity of the financial reporting practices of the Company. While the Audit Committee has oversight responsibility, the primary responsibility for the Company's financial reporting, disclosure controls and procedures, and internal control over financial reporting and related internal controls and procedures rests with management, and the Company's independent registered public accounting firm is responsible for auditing the Company's financial statements. In discharging its oversight responsibility as to the audit process, the Audit Committee reviewed and discussed the audited financial statements with management, and discussed with the independent auditors the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC. The Audit Committee received the written disclosures and the letter from the independent accountant required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with the independent accountant the independent accountant's independence. Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

The Audit Committee also has approved the selection of the Company's independent registered public accounting firm for the fiscal year ending December 31, 2024 and has approved submitting such selection for approval and ratification by the shareholders.

MEMBERS OF THE AUDIT COMMITTEE as of April 22, 2024

Eula Adams (Chairperson)
Stephen Aiello
Paul Ciasullo

Report of Compensation Committee

The Compensation Committee has reviewed and discussed with management the *Compensation Discussion and Analysis* included in this Proxy Statement and, based on such review and discussion, the Compensation Committee recommended to the Board (and the Board approved) to include such disclosure in this Proxy Statement.

MEMBERS OF THE COMPENSATION COMMITTEE as of April 22, 2024

Stephen Aiello (Chairperson)
Eula Adams
Paul Ciasullo

PROPOSAL 1: ELECTION OF DIRECTORS

Upon the recommendation of the Governance Committee, the Board has nominated Darren Lampert, Michael Salaman, Eula Adams, Stephen Aiello, and Star Carter to stand for election to the Board, each to hold office until the 2025 Annual Meeting of Shareholders and until their respective successors are elected and qualified.

Set forth below is biographical information for each person nominated for election to the Board, including a description of the experience, qualifications, attributes, and skills that led to the conclusion that the person should serve as a director of the Company, in light of the Company's business strategy, prospects, and structure.

The Company has no reason to believe that any of these nominees will refuse or be unable to serve as a director if elected; however, if any of the nominees refuses or is unable to serve, each proxy that does not direct otherwise will be voted for a substitute nominee designated by the Board.

Proxies cannot be voted for a greater number of persons than the number of nominees in this Proxy Statement.

Nominees for Director

Name	Age	Tenure
Darren Lampert	63	10.1
Michael Salaman	61	10.1
Eula Adams	74	2.7
Stephen Aiello	63	10.0
Star Carter	41	—

Darren Lampert has been our CEO, a Director, and the Chairperson of the Board since our inception in 2014. Mr. Lampert began his career in 1986 as a founding member of the law firm of Lampert and Lampert (1986-1999), where he concentrated on securities litigation, NASD (now FINRA) compliance, and arbitration and corporate finance matters. Mr. Lampert has represented clients in actions and investigations brought before government agencies and self-regulatory bodies. From 1999 to 2014, Mr. Lampert worked as a portfolio manager and proprietary trader at a number of broker-dealer firms. From 2010 to 2014, Mr. Lampert was a private investor. Mr. Lampert graduated in 1982 with a Bachelor of Science degree in business administration from Ithaca College. Mr. Lampert received a J.D. from Bridgeport University School of Law in 1985. Mr. Lampert was admitted to practice law in New York in 1986 and is also admitted to practice before the United States District Courts for the Southern and Eastern Districts of New York.

Mr. Lampert has extensive experience in our industry and knows our operations from top to bottom, having led the Company for 10 years as its CEO and Chairperson of the Board. In addition, his experience in the finance and legal fields make him an excellent asset for GrowGeneration as a rapidly-growing public company, navigating the capital markets, making acquisitions, and leading the Company through other critical business matters and initiatives.

Michael Salaman has been our President and a Director since our inception in 2014. Mr. Salaman began his business career as Vice President of Business Development for National Media Corp., an infomercial marketing company in the United States, from 1985 to 1993. From 1993 to 1995, Mr. Salaman worked as a consultant. From 1995 to 2001, Mr. Salaman started a digital media company called American Interactive Media, Inc., a developer of Web TV set-top boxes and ISP services. In 2002, Mr. Salaman became the principal officer of that entity, directing its operations as a marketing and distribution company, and in 2005 focused its efforts in the enhanced water business. Mr. Salaman served as the Chairperson of Skinny Nutritional Corp. from 2002 to 2014 and as Chief Executive Officer and President of Skinny Nutritional Corp. from 2010 to 2014. Mr. Salaman received a Bachelor of Business Administration degree in business from Temple University in 1986.

Mr. Salaman has been with the Company for 10 years as its President and a Director, providing him with deep knowledge of our business, people, and industry. In addition, his experience as an innovator and leader in sales and marketing is particularly beneficial to GrowGeneration as a company with thousands of products, including both established and new proprietary brands, which are sold through multiple channels, including retail, e-commerce, and distribution.

Eula Adams has been a Director of the Company since September 2021. Mr. Adams began his career as an auditor at Touche Ross in 1972, eventually becoming an audit partner there (which became Deloitte & Touche following a merger in 1989) until 1991. From 1991 to 2003, Mr. Adams worked at First Data Corporation (now Fiserv), holding positions as President of Merchant Services, President of Card Issuer Services and President of Teleservices. From 2004 to 2006, he served as Senior Vice President of StorageTek, which was acquired in 2006 by Sun Microsystems. From 2006 to 2008, he served as Senior Vice President of Sun Microsystems Storage Division. From 2008 to 2013, Mr. Adams was Chief Operating Officer of Xcore Corporation. Most recently, Mr. Adams was Chief Executive Officer and director at Neuromonics, Inc. from 2013 to 2019. Mr. Adams currently serves on the boards of the White House Historical Association and the Transportation Commission of Colorado and is a former director of Harvest Health and Recreation Inc. and Your Way Cannabis Brands Inc. Mr. Adams is a graduate of Morris Brown College with a Bachelor of Science degree in accounting, has a Master of Business Administration from Harvard Business School, and is a Certified Public Accountant.

Mr. Adams contributes tremendous accounting and finance expertise to the Company as a certified public accountant and former audit partner, as well as broad operational experience as a former Chief Executive Officer and Chief Operating Officer, among other roles. Mr. Adams serves as the Chairperson of the Audit Committee, as well as a member of the Compensation Committee.

Stephen Aiello has been a Director of the Company since 2014. From 1986 to 2001, Mr. Aiello was a partner at Montgomery Securities, where he managed the sales and trading institutional desk. From 2001 to 2003, he worked at 033 Asset Management, a long/short equity fund where he was responsible for day-to-day trading of the portfolio. Mr. Aiello was a partner at Jones and Company from 2004 to 2008. Mr. Aiello has been a private investor focusing on cannabis and real estate since 2008. Mr. Aiello received a Bachelor of Arts in Psychology from Ithaca College and a Master of Business Administration from Fordham University.

Mr. Aiello brings deep knowledge of finance and capital markets to the Board, as well as general business and management expertise as an MBA. In addition, Mr. Aiello has prior experience in the cannabis industry, and his real estate expertise is well-suited to help the Company manage its large real estate portfolio. Mr. Aiello serves as the Chairperson of the Compensation Committee and the Governance Committee, as well as a member of the Audit Committee.

Star Carter joined the Board in April 2024. Ms. Carter began her career as an attorney at large, internationally recognized law firms, including Weil Gotshal & Manges LLP from 2006 to 2014 and Sidley Austin LLP from 2014 to 2017, where she became Counsel. She also worked as Senior Associate Counsel for Hudson Advisors, the advisory arm of Lone Star Funds, from 2017 to 2018. From 2018 to 2022, Ms. Carter co-founded and served as a director, Chief Operations Officer, and General Counsel of Kanarys, Inc., a technology platform focused on fostering diversity, equity, and inclusion in the workplace. Ms. Carter also served on the board of directors for Legal Aid of Northwest Texas from 2013 to 2022, including as Chairperson and a member of the Nomination Committee and Audit and Finance Committee. She is currently a leadership advisor at a global firm specializing in leadership development. Ms. Carter holds a Juris Doctor from Harvard Law School and a Bachelor of Business Administration with honors from the University of Texas at Austin.

Ms. Carter brings nearly two decades of expertise in corporate strategy and law. She has led complex legal matters, facilitated corporate transactions, and provided strategic guidance on corporate governance, mergers and acquisitions, and other matters. Ms. Carter also contributes her experience in operational strategy and execution, corporate leadership, and diversity, equity, and inclusion. Ms. Carter serves as a member of the Audit Committee, the Compensation Committee, and the Governance Committee.

The Board of Directors recommends that you vote “FOR” the election of each of the nominees named above.

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EXECUTIVE OFFICERS

The Board selects and oversees management of the Company. Members of management may be appointed, removed, and replaced at the discretion of the Board, subject to the terms of any applicable employment agreement or other arrangement.

The following table sets forth information concerning the Company's executive officers as of December 31, 2023:

Name	Age	Position
Darren Lampert	63	Chief Executive Officer and Director
Michael Salaman	61	President and Director
Gregory Sanders	35	Chief Financial Officer

Set forth below is biographical information with respect to Mr. Sanders. Biographical information for Messrs. Lampert and Salaman is set forth above under *Proposal 1: Election of Directors*.

Gregory Sanders has been our Chief Financial Officer ("CFO") since August 2022. Immediately prior, Mr. Sanders served as Vice President and Corporate Controller at GrowGeneration for nearly five years. Mr. Sanders began his career in 2008 with Enterprise Holdings, one of the nation's largest privately held organizations, where he held nine different positions during his tenure, including Accounting Manager. From 2014 to 2015, he served as Accounting Manager at Arrow Electronics. From 2015 to 2018, Mr. Sanders served as Director of Accounting at Machol & Johannes LLC, where he led accounting, finance, human resources, and administrative functions and supported the organization in its highest ranking financial position. Mr. Sanders holds a B.S. in Accounting from the University of Minnesota.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis, or CD&A, discusses the overall compensation philosophy, objectives, and practices for our named executive officers ("NEOs") identified in the Summary Compensation Table ("SCT") below. In this CD&A, the terms "we," "us," "our," "GrowGeneration" and the "Company" refer to GrowGeneration Corp. and not to the Compensation Committee.

Compensation Overview

The Company's ultimate goal is to maximize shareholder value and otherwise serve the best interests of our shareholders, and we strive to design executive compensation programs with that goal at the forefront. Accordingly, our executive compensation programs help to align our NEO's interests with the interests of our shareholders.

The strength of such alignment between executive compensation and the interests of our shareholders was evident in 2023. Despite our executive officer's demonstrated ability to manage the business well during a prolonged industry downturn, including significantly reducing operating expenses and generating and preserving significant cash with no debt financing in 2023, our NEOs nonetheless did not receive any payouts under the annual incentive plan for fiscal year 2023 because the predetermined performance goal was not achieved, nor did they receive any discretionary or other bonus for the year.

In addition, our CEO and President agreed to lower their total compensation in connection with their new employment agreements, which took effect on January 1, 2023. In particular, the new agreements eliminated the uncapped, revenue-based bonus provided for in their prior employment agreements and replaced it with a bonus structure based on performance targets set by the Compensation Committee, with a target bonus amount of 50% of base salary and a maximum bonus amount of 100% of base salary.

Long-term incentive equity compensation for our executive officers was also lower in 2023 due to a decline in the price of our Common Stock. Given the significant levels of equity compensation granted to our NEOs, their compensation was directly and materially tied to shareholder value insofar as it is reflected in the price of our Common Stock.

Critically, for 2024, the Board has approved certain changes to our Amended and Restated 2018 Equity Incentive Plan in order to continue to attract, motivate, reward, and retain talent in a manner that supports future shareholder value creation. Changes include updated terms designed to support pay-for-performance alignment, such as minimum vesting periods and prohibitions on option backdating and repricing, and an increase in the number of

shares authorized under the plan. The Board believes that such changes are critical to the future success of the Company and recommends that shareholders vote to approve such changes. See *Proposal 3: Equity Plan Amendment* for further details.

Compensation Philosophy and Objectives

Our overarching compensation philosophy is to attract, motivate, reward, and retain the right talent so that the Company can maximize shareholder value and otherwise serve the best interests of its shareholders. As such, we believe that pay-for-performance, competitive compensation levels, and long-term retention should be key drivers of compensation decisions.

Leadership and motivation of our executive officers are critical to our long-term success, and the market for high-quality executive officers in our industry remains competitive. Our overall objective is to offer a compensation program that is competitive and at the same time reinforces our commitment to being a brand-led, consumer-first organization and to our strategic priorities. We seek to do this by offering a compensation structure that considers market compensation practices and ties a significant portion of overall compensation to defined Company objectives, rewarding executives when performance or other factors warrant it.

Compensation Program Design

Our compensation program for executive officers is designed to reward executive officers competitively when they achieve Company objectives, increase shareholder value, and maintain long-term careers with the Company. In 2023, our compensation program design for NEOs consisted of the following elements:

- salary that provides for a minimum level of compensation for an executive officer;
- short-term, performance-based cash bonuses tied to achievement of corporate objectives;
- long-term equity incentives that offer significant rewards if the market price of our Common Stock increases in the future; and
- benefits that aim to be competitive with those that are offered by companies similar to GrowGeneration.

The total compensation package for our executive officers is substantially weighted toward incentive compensation tied to business and stock performance. Therefore, when targeted performance goals are not achieved or our stock price decreases, executive officer compensation may be significantly reduced. When targeted performance goals are exceeded or our stock price increases, executive officer compensation may be significantly increased.

Components of Compensation

The table below summarizes the key elements of our compensation program for NEOs in 2023. Each of the elements of our compensation program helps us achieve the objectives of our program, and we believe that, together, they are effective in achieving our overall objectives.

Component	Description	Purpose
Base Salary	Fixed cash component.	Reward for level of responsibility, experience, and sustained individual performance.
Annual Cash Incentive	Cash bonus based on achievement of predetermined performance goals.	Reward achievement of business objectives and financial results.
Long-Term Equity Incentive	Equity grants primarily consisting of restricted stock units vesting over two or three years.	Reward creation of shareholder value, align the interests of employees and shareholders, and retain executives for the long-term.
Other Compensation	Various health, life, and disability insurance plans and other customary employee benefits generally available to all our U.S. employees.	Provide an appropriate level of employee benefit plans and programs.
Other Policies	Insider trading policy, which includes anti-hedging and anti-pledging policies, stock ownership guidelines, and incentive compensation clawback policy.	Enhance alignment with shareholder interests and avoid pay-for-failure.

Base Salary

Base salary is the primary fixed element of total compensation. Base salary also impacts certain variable compensation elements to the extent they are linked directly or indirectly to base salary. The Compensation Committee reviews base salary levels for NEOs annually based on competitive market salaries and a subjective assessment of organizational and individual qualities and characteristics, such as role, responsibilities, experience, skill level, and individual and enterprise performance.

Annual Cash Incentive

Annual cash incentives are intended to drive and reward achievement of near-term business objectives set by the Board. The Compensation Committee sets performance target goal that are intended to be challenging yet attainable and tied to driving strong operational and financial performance. The Compensation Committee generally establishes goals early in the fiscal year based upon current forecasts, business strategies, and expectations. The Compensation Committee has the discretion to include or exclude any extraordinary items affecting performance goals and to adjust performance goals to take into account changes in accounting and other matters that the Compensation Committee deems relevant.

Actual annual cash bonus amounts payable to our NEOs generally depend on the level of actual achievement above or below performance targets, with higher levels of achievement resulting in higher bonus earned (subject to a maximum amount), and lower levels of achievement resulting in lower or no bonus earned. The Compensation Committee may reduce, increase, or eliminate the amount payable to an NEO based on factors that it determines warrant such adjustment. The Compensation Committee may also award additional discretionary bonuses based on an individual executive's role and performance, among other factor considered relevant by the Compensation Committee.

Long-Term Equity Incentives

Long-term equity compensation is intended to align the interests of our executives with those of the Company and its shareholders, to reward the creation of long-term shareholder value, and to help retain executives as employees of the Company. The Compensation Committee has historically awarded time-based restricted stock, restricted stock units, and stock options to our executive officers. The Compensation Committee periodically reviews outstanding share-based compensation grants to monitor the effectiveness of such grants, especially considering the volatility of our stock price. Long-term equity incentives awarded to executive officers is set forth in the employment agreement for each executive officer, as well as in an equity award agreement. Most recently, long-term equity incentive awards have been time-vested, with biannual vesting near the end of the second and fourth quarters. In the future, and in response to shareholder feedback, the Compensation Committee intends to include performance-vesting components in a portion of executive equity awards.

Compensation Determinations

The use and weight of each compensation component is based on a determination by the Compensation Committee of the importance of each component in meeting our overall objectives, as well as general market practices. In general, the Compensation Committee wants a significant amount of each NEO's potential compensation "at risk" based on corporate performance and stock price.

As part of its process for determining compensation for NEOs, the Compensation Committee reviews compensation analyses provided by its independent compensation consultant. Such analyses include an estimate of the market 25th percentile, median and, 75th percentile positions for base salary, target total cash compensation (base salary plus target bonus), and target compensation (base salary plus target bonus plus target long-term incentive compensation) for each NEO. Although the Compensation Committee does not target a specific market position, it considers the median, or 50th percentile, of the market data as one of many factors in its analysis of the competitive, reasonable, and appropriate levels of compensation for our NEOs, and is guided by, and seeks to promote, the best interests of the Company and its shareholders. The Compensation Committee also considers several other factors when determining appropriate compensation levels for each executive officer, including:

- analyses of competitive compensation practices;
- individual performance in light of Company goals and objectives relevant to executive compensation;
- individual role, responsibilities, leadership, experience, expertise, skills, and knowledge;
- labor market conditions (which affect the compensation required to attract and retain key talent); and
- analyses and advice from its independent compensation consultant, including competitive market data pertaining to executive compensation at comparable companies.

The Compensation Committee's approach to evaluating these factors is subjective and not formulaic, and the Compensation Committee may place more or less weight on a particular factor, or consider other factors it deems relevant, when determining compensation.

In determining the total compensation for each executive officer other than our President and CEO, the Compensation Committee also considers the specific recommendations of our President and CEO. Recommendations to the Compensation Committee typically include discussion of the role and responsibilities of the executive within the Company, the performance of the executive, the expected future contributions of the executive, the executive's own expectations, and market considerations. Although our President and CEO make recommendations regarding other executive officers, neither participates in the discussions concerning his own compensation.

The Compensation Committee may consider, in addition to the factors described above:

- the individual's accumulated vested and unvested equity awards;
- the vesting schedule of the individual's outstanding equity awards;
- a comparison of individual equity awards between executive officers and in relation to other compensation elements;
- potential shareholder dilution resulting from stock awards to employees;
- total accounting expense resulting from executive compensation;

- shareholder advisory votes on executive compensation; and
- past levels of compensation awarded and earned.

Risk and Compensation

We believe our compensation programs for executive officers are designed to encourage prudent risk-taking to achieve long-term growth in shareholder value. A variety of principles and practices contribute to the alignment of our executive compensation programs with our overall risk profile, including the following:

- All Compensation Committee members are independent, non-employee directors.
- Our programs are designed to drive achievement of strategic objectives, short- and long-term financial performance, and growth in shareholder value, while also promoting the attraction and retention of executive talent.
- Our programs balance strategic, financial, and shareholder measures.
- Our programs balance short- and long-term performance through equity compensation.
- The vesting periods of long-term incentives provide long-term alignment with shareholders.
- Maximum amounts payable are established under performance-based incentive programs.
- Our Board and Compensation Committee generally establish both strategic and financial measures at the beginning of a performance period.
- Our Compensation Committee reviews all elements of executive compensation, with the assistance of an independent compensation consultant from time to time.
- Base salaries and annual adjustments for executive officers are generally based on market practices and our financial condition.
- Annual cash incentive payouts will vary over time, commensurate with business and individual executive performance.
- The Company maintains a policy requiring the Company to recover certain incentive compensation erroneously paid to executive officers.
- The Company maintains share ownership guidelines for executive officers to help ensure alignment with shareholder interests and long-term value creation.
- The Company maintains a policy prohibiting hedging, pledging, and similar transactions by directors, executive officers, and other insiders.

The Compensation Committee is generally responsible for administering and overseeing our risk mitigation practices and policies in the context of our executive compensation programs. The Compensation Committee regularly assesses such practices and policies for effectiveness and compliance with applicable laws and regulations.

Share Ownership Guidelines

The Compensation Committee and the Governance Committee have adopted Share Ownership Guidelines that apply to directors and executive officers of the Company. Pursuant to the guidelines, executive officers are required to attain and maintain a minimum level of ownership of shares of the Company's Common Stock equal to the lesser of (i) 100,000 (in the case of the CEO and President) or 50,000 (in the case of other executive officers) shares and (ii) 50% of their respective annual base salary. The Compensation Committee reviews the Share Ownership Guidelines at least annually and makes updates as necessary.

Compensation Clawback Policy

The Company was not required to prepare any accounting restatement at any time during or after the last completed fiscal year that would have triggered recovery of erroneously awarded compensation pursuant to the Company's compensation clawback policy adopted in accordance with Section 10D of the Exchange Act and the Nasdaq listing standards adopted pursuant thereto. In addition, there was no prior restatement that would have resulted in an outstanding balance as of the end of the last completed fiscal year of erroneously awarded compensation to be recovered from the application of the policy to a prior restatement.

A copy of our compensation clawback policy is attached as Exhibit 97 to our latest Annual Report on Form 10-K.

Competitive Market Compensation Survey

As discussed above, the Compensation Committee considers competitive compensation practices as a factor to determine compensation for the Company’s executives, including for the purpose of determining the extent to which the Company’s executive compensation practices are competitive relative to competitors and peer companies to attract and retain talented executives. The Committee reviews aggregated data from survey sources analyzed by its independent compensation consultant, including general industry surveys, retail/wholesale surveys, and consumer retail industry surveys. The Compensation Committee generally focuses on a subset of companies within a comparable industry and/or range of revenues.

In November 2021, the Compensation Committee hired Hays Companies, a Brown & Brown company, as an independent compensation consultant to assist the Compensation Committee in fulfilling its responsibilities, including to review executive compensation levels in comparison to those of peer group companies and market practices generally, as well as to update the Company’s executive compensation philosophy, policies, and practices.

In March 2022, the Committee reviewed pay practices and compared compensation for the Company’s executive team against a set of peers that included: Hydrofarm Holdings Group, Inc.; e.l.f. Beauty; Funko, Inc.; Quotient Technology, Inc.; Duluth Holdings, Inc.; Central Garden and Pet Company; Ollie’s Bargain Outlet Holdings, Inc.; and At Home Group Inc. prior to their acquisition.

The Compensation Committee has the sole authority to hire or fire its compensation consultants and to approve fee arrangements for work performed. The Compensation Committee has assessed the independence of Hays pursuant to SEC rules and concluded that Hays’ work for the Compensation Committee does not raise any conflict of interest. In fiscal year 2023, Hays did not perform work for the Compensation Committee or management.

Tax Deductibility

Section 162(m) of the Internal Revenue Code limits to \$1,000,000 per person per year the amount of our tax deduction for compensation paid to our CEO, CFO, each of our three most highly compensated officers (other than the CEO and the CFO) who served in such position on the last day of the year, and any person who has ever served in one of those positions for any taxable year beginning after December 31, 2017. Accordingly, we are unable to take a tax deduction with respect to any portion of annual compensation we pay to our “covered employees” that exceeds \$1,000,000 per person (except with respect to compensation paid pursuant to certain arrangements in place prior to November 2, 2017 that remain eligible for the “performance-based” exception). The Compensation Committee will continue to evaluate the tax deductibility of compensation paid under our executive compensation program and to grant compensation that is not tax deductible when it determines that doing so will help to ensure competitive levels of total compensation for our executive officers and to promote corporate goals.

Summary Compensation Table

The following table sets forth information regarding the total compensation of our named executive officers, as determined under Item 402 of Regulation S-K, for the years ended December 31, 2023, 2022, and 2021.

Name	Year	Salary	Performance Bonus	Bonus	Option Awards	Stock Awards (1)	All Other Compensation	Total
Darren Lampert	2023	\$ 493,031	\$ —	\$ —	\$ —	\$ 785,000	\$ 20,117	\$ 1,298,148
Chief Executive Officer	2022	\$ 345,354	\$ 991,664	\$ —	\$ —	\$ —	\$ 6,100	\$ 1,343,118
	2021	\$ 301,354	\$ 1,713,577	\$ —	\$ —	\$ —	\$ 25,201	\$ 2,040,132
Michael Salaman	2023	\$ 493,031	\$ —	\$ —	\$ —	\$ 785,000	\$ 27,145	\$ 1,305,176
President	2022	\$ 337,889	\$ 991,664	\$ —	\$ —	\$ —	\$ 12,755	\$ 1,342,308
	2021	\$ 301,354	\$ 1,713,577	\$ —	\$ —	\$ —	\$ 25,201	\$ 2,040,132
Greg Sanders (2)	2023	\$ 335,833	\$ —	\$ —	\$ —	\$ 394,800	\$ 23,134	\$ 753,767
Chief Financial Officer	2022	\$ 252,360	\$ 66,500	\$ —	\$ —	\$ 2,309,900	\$ 10,205	\$ 2,638,964
	2021	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Monty Lamirato (3)	2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Former Chief Financial Officer	2022	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	2021	\$ 124,647	\$ —	\$ —	\$ —	\$ —	\$ 4,467	\$ 129,114
Tony Sullivan (4)	2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Former Chief Operating Officer	2022	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	2021	\$ 298,071	\$ —	\$ —	\$ —	\$ —	\$ 11,923	\$ 309,994
Jeffrey Lasher (5)	2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Former Chief Financial Officer	2022	\$ 438,359	\$ 182,355	\$ —	\$ —	\$ 1,319,200	\$ 8,809	\$ 1,948,723
	2021	\$ 211,864	\$ 11,255	\$ 63,200	\$ —	\$ 3,286,800	\$ —	\$ 3,573,119
Paul Rutenis (6)	2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Former Chief Merchandising Officer	2022	\$ 334,833	\$ 7,932	\$ —	\$ —	\$ 786,845	\$ —	\$ 1,129,610
	2021	\$ 146,591	\$ 7,932	\$ —	\$ —	\$ 1,474,800	\$ —	\$ 1,629,323

- (1) The amounts in the Stock Based Awards column reflect the aggregated grant date fair value of awards granted during 2023, 2022, and 2021 as computed in accordance with FASB ASC Topic 718.
- (2) Mr. Sanders was appointed Chief Financial Officer on August 12, 2022. Prior to that, Mr. Sanders had served as the Company's Corporate Controller. Listed compensation for 2022 is for the full year.
- (3) As of May 15, 2021, Monty Lamirato resigned as Chief Financial Officer and Secretary.
- (4) As of December 13, 2021, Tony Sullivan resigned as Chief Operating Officer.
- (5) As of August 12, 2022, Jeffrey Lasher resigned as Chief Financial Officer.
- (6) As of June 9, 2022, Paul Rutenis resigned as Chief Merchandising Officer.

Salary

Base salaries paid to our named executive officers are set forth in the “Salary” column of the SCT.

As noted under *Compensation Overview* above, the Company undertook several initiatives across the enterprise during 2022 and 2023 to reduce expenses as a result of a prolonged industry downturn. In connection with these initiatives, our NEOs also agreed to reduced base salary levels for 2023, as described immediately below.

First, our CEO and Co-Founder, Darren Lampert, and our President and Co-Founder, Michael Salaman, each entered into a new two-year employment agreement, effective January 1, 2023, that provided for reduced total compensation compared to their compensation in prior years, including base salary of \$500,000 per year. The Compensation Committee believes such salary levels to be below market for similar executives of similar companies, however the Compensation Committee was supportive of Mr. Lampert’s and Mr. Salaman’s willingness to accept below-market salaries given the near-term, industry-wide pressures the Company has faced. Furthermore, the Compensation Committee believes that such below-market salaries do not create retention risk, as Mr. Lampert and Mr. Salaman have displayed steadfast dedication to the Company since its founding approximately 10 years ago.

Second, our CFO, Greg Sanders, agreed to forgo a portion of the guaranteed base salary increase provided for in his current employment agreement. Specifically, Mr. Sanders agreed to irrevocably waive his right to receive over \$10,000 of base salary to which he was otherwise entitled in 2023.

Salaries paid to our named executive officers in 2022 and 2021 are set forth in the SCT.

Performance Bonus

The amounts set forth in the “Performance Bonus” column of the SCT consist of performance bonuses paid to executive officers, which are based on either an annual performance bonus program established by the Compensation Committee, a bonus program established in an employment agreement approved by the Compensation Committee, or discretionary bonuses awarded by the Compensation Committee.

No performance bonuses were paid to our NEOs with respect to fiscal year 2023. The performance bonus for our CEO and our President in 2022 and 2021 was an amount equal to 0.5% of revenue over \$79.8 million in the given year, as provided in their respective employment agreements then in effect. For executive officers other than our CEO and our President, the performance bonus was discretionary for all years shown in the SCT, except that a portion of the 2023 performance bonus for our CFO was provided for in his employment agreement then in effect.

Under the Company’s annual cash incentive plan for fiscal year 2023 (“2023 Cash Bonus Plan”), short-term incentive compensation for NEOs was based on achievement of Adjusted EBITDA for the enterprise. (Refer to the *Reconciliation of EBITDA and Adjusted EBITDA* section in this Proxy Statement for the Company’s definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to GAAP net income (loss)). Each NEO’s target bonus is established in their respective employment agreements as an amount equal to 50% of base salary, which can be achieved by obtaining the target performance goal. In addition, highest bonus opportunity is an amount equal to 100% of base salary.

The Compensation Committee established positive Adjusted EBITDA targets for the 2023 Cash Bonus Plan. No bonuses were paid pursuant to the 2023 Cash Bonus Plan, however, due to negative Adjusted EBITDA achievement of the Company in fiscal year 2023 primarily resulting from challenging industry conditions.

The Compensation Committee recognizes that the use of a single performance goal in the 2023 Cash Bonus Plan is a departure from its practice in 2022 but believes it was appropriate and in the best interests of shareholders. In 2023, industry headwinds and market factors outside management’s control demanded a nimble approach to managing our business. As a result, the Compensation Committee sought to incentivize management to achieve a positive overall outcome for the Company in the near-term while also giving management flexibility to manage the business to rapidly evolving market conditions. The Compensation Committee chose Adjusted EBITDA as an appropriate overall performance goal that represents the culmination of numerous inputs that management would have the opportunity to affect and that also reflects appropriate adjustments for non-recurring items provoked by near-term market challenges.

For the Company’s annual cash incentive plan for fiscal year 2024, the Compensation Committee has determined it is in the best interests of the Company and its shareholders to return to using multiple performance goals, including Adjusted EBITDA, same-store-sales, and a non-financial goal to establish a program to monitor and reduce vehicle

emissions from our delivery vehicle fleet. The Compensation Committee also approved a long-term cash incentive program over a three-year performance period beginning with fiscal year 2024, which is based on achievement of proprietary brand sales as a percentage of total Company sales.

The Company's annual cash incentive plan for fiscal year 2022 ("2022 Cash Bonus Plan") for its executive officers (other than the President and CEO, whose bonuses were established in their respective employment agreements in effect at the time) was based on achievement of three different financial goals, each of which is weighted, set forth in the list below:

- Enterprise generation of gross profit, weighted at 40% of target bonus opportunity;
- Adjusted EBITDA, weighted at 40% of target bonus opportunity; and
- Cash from operations, weighted at 20% of target bonus opportunity.

The Compensation Committee set a target bonus under the 2022 Cash Bonus Plan of an amount equal to 50% of base salary, which would be achieved by obtaining the target performance goal. In addition, highest bonus opportunity was an amount equal to 100% of base salary, and lowest bonus opportunity was an amount equal to 25% of base salary. Highest bonus would be achieved if actual performance is 120% or more of the target performance goal, and lowest bonus would be achieved if actual performance is 80% of the target performance goal. Bonus achievement varied for actual performance between 80% and 120% of target performance.

In 2021, the Compensation Committee awarded executive officers (other than the CEO and President, whose bonuses were established in their respective employment agreements in effect at the time) bonuses from a discretionary pool based on financial and stock price performance, as well as the executive's role and performance, among other factor considered relevant by the Compensation Committee.

Bonus

The amounts set forth in the "Bonus" column of the SCT consist of cash awards made to the executive officers that are time-based awards in conjunction with employment agreements. Only one such award was paid to our former CFO in 2021.

Option Awards

The "Options Award" column of the SCT shows the value of stock options awarded to certain NEOs under our 2014 Equity Incentive Plan and Amended and Restated 2018 Equity Incentive Plan. No options were granted to our NEOs in 2023, 2022, or 2021.

Stock Awards

We awarded restricted shares and time-based restricted stock units ("RSUs") to our NEOs under our 2014 Equity Incentive Plan and Amended and Restated 2018 Equity Incentive Plan. The amounts set forth in the "Stock Awards" column represent the value of such awards at the time of grant.

In 2023, our CEO and our President were each granted 200,000 RSUs pursuant to their respective employment agreements, which vest ratably on a biannual basis through December 2024. These awards were subject to an initial clerical error. The original award was effective January 1, 2023 and included 100,000 RSUs. This award was amended and corrected on June 15, 2023 to increase the total RSUs to 200,000.

In 2022, our CFO, Greg Sanders, was granted 90,000 RSUs on August 9, 2022 pursuant to his 2022 employment agreement, which vest ratably on a biannual basis over three years. As of June 15, 2023, Mr. Sanders entered into a new employment agreement that superseded and replaced his prior employment agreement, canceling the 75,000 unvested RSUs from the August 9, 2022 grant. The new employment agreement granted 180,000 RSUs on June 15, 2023, which vest 30,000 shares each six months of service beginning June 15, 2023. Stock awards in 2023 represent the incremental fair market value of the incremental 105,000 RSUs granted, net of the cancelled RSUs, with the new employment agreement. In addition, Mr. Sanders was granted 15,000 RSUs on January 5, 2022 as a discretionary award made when he was our Corporate Controller, which vest ratably on an annual basis through December 2025.

During 2021, Jeff Lasher was granted 60,000 RSUs on April 15, 2021 pursuant to his employment agreement in his former capacity as CFO, which were to vest ratably on a biannual basis through April 2024. Mr. Lasher was granted an additional 100,000 RSUs on January 5, 2022 as a discretionary award in his former capacity as CFO, which were to vest ratably on an annual basis through December 2025. Such awards were partially forfeited upon Mr. Lasher's

resignation on August 9, 2022, however Mr. Lasher was granted 30,000 RSUs on August 12, 2022 in connection with his separation and release agreement.

During 2021 Paul Rutenis was granted 40,000 RSUs on June 1, 2021 pursuant to his employment agreement in his former capacity as Chief Merchandising Officer, which were to vest ratably on a biannual basis through June 2024. Mr. Rutenis was granted an additional 65,000 RSUs on January 5, 2022 as a discretionary award in his former capacity as Chief Merchandising Officer, which were to vest ratably on an annual basis through December 2025. Such awards were partially forfeited upon Mr. Rutenis's resignation on June 9, 2022, however Mr. Rutenis was granted 9,999 RSUs on June 9, 2022 in connection with his separation and release agreement.

All Other Compensation

The "All Other Compensation" column of the SCT shows compensation paid to our NEOs that is not already reflected in other columns of the SCT, which includes 401(k) matching contributions, health insurance contributions, and other employee benefits.

Our 401(k) Plan is our tax qualified retirement savings plan pursuant to which our U.S. employees, including NEOs, are able to make pre-tax contributions from their cash compensation. In 2024, the Company stopped making matching contributions for all plan participants, including NEOs, as part of its ongoing cost control measures. In 2023, 2022, and 2021, the Company made matching contributions for all participants each year equal to 100% of their elective deferrals up to 3% of their total eligible compensation and 50% of their elective deferrals from 3% to 5% of eligible annual compensation. The Internal Revenue Code limits the amount of compensation that can be deferred under the 401(k) Plan and also limits the amount of salary and bonus with respect to which matching contributions can be made under that plan.

We provide our NEOs with competitive benefits, and we generally do not provide perquisites or tax reimbursements or other benefits to NEOs that are not available to other employees. In addition to our 401(k) Plan described above, our NEOs are offered other benefits that are substantially the same as those offered to all of our U.S. employees. These benefits included medical, dental, and vision insurance. We also provide an enhanced long-term disability benefit to our executive officers. This benefit is designed to provide additional protection to our executive officers in the event of catastrophic illness or disability.

Employment Agreements and Severance

On September 1, 2022, the Company entered into new two-year employment agreements, effective as of January 1, 2023, with each of Mr. Lampert as Chief Executive Officer and Mr. Salaman as President. Pursuant to the agreements, the Company agreed to pay each of them (i) a base wage of \$500,000 per year; (ii) a target annual bonus equal to 50% of base annual wage per year, up to a maximum of 100% of base annual wage per year, subject to achievement of performance goals established by the Company; and (iii) 100,000 RSUs vesting in equal installments on June 15 and December 15 each year during the term of the agreement. The agreements also provide that if the Company terminates the executive's employment without "Cause" (as defined in the agreements), the executive will receive three months' severance. On June 15, 2023, a drafting error in each employment agreement was corrected to correctly provide for 200,000 RSUs vesting in equal installments over two years on June 15 and December 15 each year, as the Compensation Committee and Board of Directors intended.

On March 23, 2020, the Company entered into three-year employment agreements, effective as of January 1, 2020, with each of Mr. Lampert as Chief Executive Officer and Mr. Salaman as President, pursuant to which the Company agreed to pay each of them a salary of \$275,000 per annum, subject to a 10% increase each January 1 during the term of the agreements. In addition, commencing with the year ending December 31, 2020, each of Mr. Lampert and Mr. Salaman was eligible for a cash bonus payment equal to 0.5% multiplied by the difference between revenue in each fiscal year less \$79,773,568. The Company also agreed to (i) issue each of them a total of 300,000 shares of Common Stock in three equal installments each year and (ii) grant each of them 300,000 options to purchase shares of Common Stock with a three-year vesting schedule, with 100,000 options vested as of January 1 in each of 2020, 2021 and 2022. In addition, Mr. Lampert and Mr. Salaman each received a one-time signing bonus of 100,000 shares of Common Stock as of January 1, 2020. The agreements also provided that if the Company terminated the executive's employment without "Cause" (as defined in the agreements), the executive would receive six months' severance.

Effective June 15, 2023, the Company entered into a new employment agreement with Gregory Sanders as Chief Financial Officer, pursuant to which the Company agreed to pay Mr. Sanders (i) a base salary of \$325,000 per year, increasing 10% each year on August 16; (ii) an annual performance cash bonus based on performance metrics set by

the Company each year, with a target amount of 50% and maximum amount of 100% of the then-current base salary; and (iii) 180,000 RSUs, vesting in equal installments over three years on June 15 and December 15 each year, beginning June 15, 2023. In addition, if the Company terminates Mr. Sanders' employment without "Cause" (as defined in the agreement), Mr. Sanders will receive three months' severance. This employment agreement superseded the previous agreement, dated August 11, 2022, described immediately below.

On August 11, 2022, the Company entered into a three-year employment agreement, effective as of August 12, 2022, with Gregory Sanders as Chief Financial Officer. Pursuant to the agreement, the Company agreed to pay Mr. Sanders (i) a base wage of \$325,000 per year, increasing 10% effective as of August 16 each year; (ii) a target annual bonus equal to 50% of base annual wage per year, up to a maximum of 100% of base annual wage per year, subject to achievement of performance goals established by the Company; (iii) a one-time cash bonus of \$50,000 payable on December 31, 2022; and (iv) 90,000 RSUs vesting in equal installments on June 15 and December 15 over three years, with an additional award each year of approximately the same value (based on the Company's stock price on the applicable grant date relative to the stock price on August 12, 2022) and with the same vesting schedule. The agreement also provides that if the Company terminates the executive's employment without "Cause" (as defined in the agreement), the executive will receive three months' severance. This employment agreement was superseded by the following agreement, dated June 15, 2023.

On May 24, 2021, the Company entered into a three-year employment agreement, effective as of June 21, 2021, with Paul Rutenis as Chief Merchandise Officer. Pursuant to the agreement, the Company agreed to pay Mr. Rutenis (i) a base wage of \$300,000 per year, increasing 10% effective January 1 of each calendar year; (ii) a discretionary performance cash bonus; and (iii) 40,000 shares of Common Stock vesting in equal installments over three years on June 21 each year (beginning with 2022). Mr. Rutenis also received a one-time relocation fee of \$100,000. The agreement also provided that if the Company terminated the executive's employment without "Cause" (as defined in the agreement), the executive would receive six months' severance. On June 9, 2022, Mr. Rutenis resigned his position and his employment agreement was terminated. In conjunction with that separation, Mr. Rutenis entered into a Separation and Release Agreement with the Company, pursuant to which he released the Company of certain claims and agreed to certain restrictive covenants in favor of the Company in exchange for separation pay of \$169,663 in total, representing approximately six months' salary plus a pro rata portion of his benefits for the preceding six-month period. The separation agreement also provided for the issuance of 9,999 shares to Mr. Rutenis.

On March 21, 2021, the Company entered into a three-year employment agreement, effective as of April 15, 2021, with Jeffrey Lasher as Chief Financial Officer and Secretary. On the same day, Mr. Lamirato resigned as Chief Financial Officer and Secretary. Pursuant to the agreement, the Company agreed to pay Mr. Lasher (i) a base wage of \$316,000 per year, increasing 12.5% effective January 1 of each calendar year; (ii) an annual bonus equal to 40% of the then current base annual wage per year; (iii) 60,000 shares of Common Stock vesting in six-month intervals through April 12, 2024; and (iv) a discretionary year-end performance cash bonus and/or equity award. The agreement also provided that if the Company terminated the executive's employment without "Cause" (as defined in the agreement), the executive would receive six months' severance. On August 12, 2022, Mr. Lasher resigned his position and his employment agreement was terminated. In conjunction with that separation, Mr. Lasher entered into a Separation and Release Agreement with the Company, pursuant to which he released the Company of certain claims and agreed to certain restrictive covenants in favor of the Company in exchange for separation pay of \$253,513 in total, representing approximately six months' salary, six months' annual bonus, and the amount of the Company's contributions to his benefits for the preceding six-month period. The separation agreement also provided for the issuance of 30,000 shares to Mr. Lasher.

On November 5, 2019, the Company entered into a three-year employment agreement, effective as of January 1, 2020, with Monty Lamirato as Chief Financial Officer and Secretary, pursuant to which the Company agreed to pay Mr. Lamirato a salary of \$205,000 per annum for the first year, \$225,000 for the second year and \$250,000 for the third year. The Company also agreed to issue to Mr. Lamirato a total of 90,000 shares of Common Stock in three equal installments each year and grant a total of 150,000 stock options vesting in equal installments on January 1, 2020, January 1, 2021 and January 1, 2022. Mr. Lamirato resigned as Chief Financial Officer and Secretary effective May 15, 2021.

On November 4, 2019, the Company entered into a three-year employment agreement, effective as of November 4, 2019, with Tony Sullivan as Chief Operating Officer and Executive Vice President, pursuant to which the Company agreed to pay Mr. Sullivan a salary of \$270,000 per annum, subject to a 10% increase each year on the anniversary date of this agreement. In addition, the Company agreed to pay Mr. Sullivan a bonus with respect to each fiscal year in an amount equal to a minimum of \$75,000. The Company also agreed to issue to Mr. Sullivan a total of 120,000 shares of Common Stock in three equal installments each year and grant a total of 280,000 stock options with 160,000 vested on November 4, 2019, 60,000 on November 4, 2020 and 60,000 on November 4, 2021. Mr. Sullivan

was also paid a one-time relocation fee of up to \$80,000. On December 13, 2021, Mr. Sullivan resigned his position and his employment agreement was terminated. In conjunction with that separation, Mr. Sullivan entered into a Separation and Release Agreement with the Company, pursuant to which he released the Company of certain claims and agreed to certain restrictive covenants in favor of the Company in exchange for separation pay of \$231,266 in total, representing approximately six months' salary plus 2021 annual bonus.

Change in Control Payments

We do not have any cash severance arrangements with our NEOs directly tied to a change in control of the Company.

Under the Company's Amended and Restated 2018 Equity Incentive Plan, the plan administrator has discretion with respect to treatment of awards made under the plan in connection with a change of control. In the event that the administrator does not elect to take other action and an acquirer does not assume or substitute awards, unvested awards will fully vest and unexercisable options will become fully exercisable, all restrictions on restricted stock will lapse, and, with respect to restricted stock units, performance shares, and performance units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an option or stock appreciation right is not assumed or substituted for in the event of a change in control, the administrator will notify participants that the option or stock appreciation right will be fully vested and exercisable for a period of time determined by the administrator, and the option or stock appreciation right will terminate upon the expiration of such period.

Pursuant to the proposed amendment to the Amended and Restated 2018 Equity Incentive Plan (as described in *Proposal 3: Equity Plan Amendment*), if during the period beginning three months prior to the date of a change in control and ending 12 months thereafter, the services of a participant are terminated without "Cause" (as defined in the proposed amendment) or the participant is re-assigned to a job in a lower position that results in a reduction of job duties and/or responsibilities and a reduction in salary, then the participant will fully vest in and have the right to exercise all outstanding options and stock appreciation rights, including shares as to which such awards would not otherwise be vested or exercisable, all restrictions on restricted stock will lapse, and, with respect to restricted stock units, performance shares and performance units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

Grants of Plan-Based Equity Awards

The following table provides information on equity awards granted to our NEOs during 2023:

Name	Grant Date	Estimated future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards			All other stock awards:	All other option awards:		Grant date fair value of stock and option awards
		Threshold	Target	Maximum	Threshold	Target	Maximum	Number of shares of stock or units	Number of securities underlying options	Exercise or base price of equity awards	
Darren Lampert	1/1/2023	—	—	—	—	—	—	100,000	—	—	409,000
Darren Lampert (1)	6/15/2023	—	—	—	—	—	—	100,000	—	—\$	376,000
Michael Salaman	1/1/2023	—	—	—	—	—	—	100,000	—	—\$	409,000
Michael Salaman (1)	6/15/2023	—	—	—	—	—	—	100,000	—	—\$	376,000
Gregory Sanders (2)	6/15/2023	—	—	—	—	—	—	180,000	—	—\$	394,800

(1) Represents modification of award on June 15, 2023, for which drafting errors in the employment agreements for Mr. Lampert and Mr. Salaman were corrected to correctly provide for 200,000 RSUs vesting in equal installments over two years on June 15 and December 15 each year, as the Compensation Committee and Board of Directors intended.

(2) New agreement required evaluation of the equity awards as a modification from the previous employment agreement. Grant date fair value represents the fair value of the incremental awards determined to be replacements of the unvested, canceled awards from previous employment agreement.

Outstanding Equity Awards

The following table summarizes, for each NEO, the number of shares of Common Stock underlying outstanding stock options held as of December 31, 2023. Market values for outstanding stock awards are presented as of the end of 2023 based on the closing price on the NASDAQ Market on December 31, 2023 of \$2.51.

Name	Option Awards					Stock Awards			
	Number of securities underlying unexercised options, exercisable	Number of securities underlying unexercised options, unexercisable	Equity Incentive Plan Awards: Number of Securities underlying exercisable Options	Equity Incentive Plan Awards: Number of Securities underlying unexercised unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that have not Vested	Market Value of Shares or Units of Stock that Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested
Darren Lampert	—	—	—	—	\$ —	—	—	50,000	125,500
Darren Lampert	—	—	—	—	\$ —	—	—	50,000	125,500
Darren Lampert	—	—	16,666	—	\$ 2.96	3/26/2024	—	—	—
Darren Lampert	—	—	200,000	—	\$ 4.10	12/31/2024	—	—	—
Michael Salaman	—	—	—	—	\$ —	—	—	50,000	125,500
Michael Salaman	—	—	—	—	\$ —	—	—	50,000	125,500
Michael Salaman	—	—	16,666	—	\$ 2.96	3/26/2024	—	—	—
Michael Salaman	—	—	200,000	—	\$ 4.10	12/31/2024	—	—	—
Gregory Sanders	—	—	—	—	\$ —	—	—	2,500	6,275
Gregory Sanders	—	—	—	—	\$ —	—	—	7,500	18,825
Gregory Sanders	—	—	—	—	\$ —	—	—	120,000	301,200
Gregory Sanders	—	—	20,000	—	\$ 3.84	10/14/2024	—	—	—

Option Exercises and Stock Vested

The following table summarizes the number of shares acquired upon exercise of options and the number of restricted shares that vested during the fiscal year ended December 31, 2023:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (1)	Number of Shares Acquired on Vesting	Value Realized on Vesting (2)
Darren Lampert	—	—	100,000	305,000
Michael Salaman	—	—	100,000	305,000
Greg Sanders	—	—	66,250	201,000

(1) The aggregate dollar value realized upon exercise is computed by multiplying the number of shares at exercise by the difference between the market price of Common Stock and the exercise price of the options.

(2) The aggregate dollar value realized upon vesting is computed by multiplying the number of shares vested by the closing stock price on the vesting date.

2014 Equity Compensation Plan

On March 6, 2014, the Board adopted an Equity Compensation Plan (the “2014 Plan”). The 2014 Plan was approved by the shareholders on March 6, 2014. The 2014 Plan expired by its terms as of March 5, 2024 and is no longer in effect.

As of March 5, 2024, the date of expiration of the 2014 Plan, there had been a total of 2,281,500 options (of which 2,108,833 options had been exercised, 172,667 had been forfeited and 0 remained outstanding) and 382,351 shares of Common Stock issued under the 2014 Plan. No shares remain available for issuance under the 2014 Plan due to its expiration.

2018 Equity Compensation Plan

On January 7, 2018, the Board adopted the 2018 Equity Incentive Plan (the “2018 Plan”), which was approved and ratified by the shareholders on April 20, 2018. On February 7, 2020, the Board approved the amendment and restatement of the 2018 Plan to increase the number of shares issuable thereunder from 2,500,000 to 5,000,000, which amendment and restatement was approved by shareholders on May 11, 2020 (the “First Restated 2018 Plan”). On April 26, 2023, the Board approved the amendment of the First Restated 2018 Plan to increase the number of shares issuable thereunder, however such amendment was not approved by shareholders and therefore did not become effective. On April 22, 2024, the Board approved another amendment of the First Restated 2018 Plan as set forth in Exhibit A attached to this Proxy Statement. Among other things, such amendment would add minimum vesting periods and double-trigger change-in-control provisions, expressly prohibit repricing or backdating of options or stock appreciation rights without shareholders’ approval, and increase the total number of shares issuable under the plan. The Company is hereby submitting such amendment to the shareholders for approval. See *Proposal 3: Equity Plan Amendment* for additional details.

As of the Record Date, under the First Restated 2018 Plan, there have been a total of (i) 1,888,500 options issued (of which 509,666 are currently outstanding, 1,018,911 have been exercised and 359,926 have been forfeited), and (ii) 2,228,260 shares of Common Stock issued. There are a total of (i) 920,292 shares awarded but unvested and (ii) 322,871 shares available to be awarded in the future.

Equity Compensation Plan Information

The following table provides certain information with respect to our equity compensation plans in effect as of the fiscal year ended December 31, 2023.

	Number of common shares to be issued upon exercising of outstanding options, warrants, and rights (a)	Weighted-average exercise price of outstanding options, warrants, and rights (b)	Number of common shares remaining available for future issuance under equity plans (excluding shares reflected in column a) (c)
Equity compensation plans approved by security holders			
2014 Equity Compensation Plan	—	—	—
2018 Equity Compensation Plan	577,998	4.01	294,369
Equity compensation plans not approved by security holders	—	—	—
Total	577,998	4.01	294,369

Pay Ratio Disclosure

We are providing the following information about the relationship of the annual total compensation of our “median employee” and the annual total compensation of our CEO pursuant to Item 402(u) of Regulation S-K.

For 2023, our last completed fiscal year: (i) the annual total compensation of our median employee (other than our CEO) was \$41,177; and (ii) the total annual compensation of our CEO was \$1,298,148. Based on this information, the ratio of the annual total compensation of our CEO to the annual total compensation of the median employee was 32 to 1 for 2023.

To identify the annual total compensation of the median employee, the methodology and the material assumptions, adjustments, and estimates that we used were as follows:

- We excluded individuals who had worked at the Company and its consolidated subsidiaries for less than 3 months in 2023 in order to better represent our typical employee population. After excluding such individuals, we determined that there were 541 individuals (other than our CEO) in our employee population during 2023.
- We selected December 31, 2023, which is within the last three months of 2023, as the date upon which we would identify the median employee because it enabled us to make such identification in a reasonably efficient manner, including to more easily calculated total annualized compensation for each employee.
- To identify the median employee from our employee population, we calculated each employee's annualized compensation for 2023 based on compensation reported in Box 1 on Form W-2 for 2023.
- Using this methodology, we determined that the median employee was a full-time, hourly employee located in one of our retail stores, with annualized total compensation for 2023 in the amount of \$41,177.

With respect to the annual total compensation of our CEO, we used the amount reported in 2023 in the "Total" column of our SCT included in this Proxy Statement.

The SEC's rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios.

Pay-Versus-Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(v) of Regulation S-K, the following disclosure is provided about the relationship between executive compensation and the Company's performance on select financial metrics for the fiscal years ending December 31, 2023, 2022, and 2021. The compensation actually paid ("CAP") and other compensation figures shown here are calculated based on the applicable rules and regulations of the SEC. More information on our compensation program can be found in *Compensation Discussion and Analysis* above, including the SCT therein.

Year	SCT Total for PEO (1)	CAP to PEO (2)	Average SCT Total for non-PEO NEOs (3)	Average CAP to non- PEO NEOs (2)	Company TSR (4)	Peer Group TSR (4) (5)	Net Income (7)	Company Selected Measure (Adj. EBITDA) (6)
2023 \$	1,298,148 \$	764,148 \$	1,029,472 \$	597,249 \$	(94) \$	14 \$	(46,496,000) \$	(5,554,000)
2022 \$	1,343,119 \$	3,471,119 \$	1,764,902 \$	915,769 \$	(90) \$	(4) \$	(163,747,000) \$	(16,693,000)
2021 \$	2,040,132 \$	9,224,132 \$	1,536,336 \$	(1,651,011) \$	(68) \$	42 \$	12,786,000 \$	34,168,000

(1) Darren Lampert is the Principal Executive Officer ("PEO") for each of the fiscal years ending December 31, 2023, 2022, and 2021. The amounts shown are found in the SCT.

(2) CAP includes actual base salary, non-equity incentive compensation, the change in value in all equity awards and the sum of other income.

(3) The amounts shown are the average total compensation from the SCT for the non-PEO NEOs for the given year. Non-PEO NEOs for each year were:

- 2023: Michael Salaman and Gregory Sanders
- 2022: Michael Salaman, Gregory Sanders, Jeffrey Lasher, and Paul Rutenis.
- 2021: Michael Salaman, Jeffrey Lasher, Monty Lamirato, Tony Sullivan, and Paul Rutenis.

(4) Total Shareholder Return ("TSR") figures assume an initial investment of \$100 on December 31, 2020. For 2023, this reflects the cumulative TSR from December 31, 2020 to December 31, 2023. For 2022, this reflects the cumulative TSR from December 31, 2020 to December 31, 2022. For 2021, this reflects the cumulative TSR from December 31, 2020 to December 31, 2021.

(5) The peer group used for the TSR calculation is the S&P Retail Select Industry Index.

(6) Adjusted EBITDA is defined in the *Reconciliation of EBITDA and Adjusted EBITDA* section in this Proxy Statement along with a reconciliation of Adjusted EBITDA to GAAP net income (loss). While the Company has used numerous performance measures in connection with its executive compensation program, the Company has determined that Adjusted EBITDA is the financial performance measure that, in the Company's assessment, represents the most important financial performance measure (that is not otherwise required to be disclosed in the Pay-Versus-Performance table) used by the Company to link CAP to NEOs to Company performance.

(7) 2023 net loss was primarily driven by goodwill impairment of \$15.7 million. Please refer to or latest Annual Report on Form 10-K for additional detail on 2023 financial performance.

Adjustments Made to Determine Compensation Actually Paid

The following table shows the adjustments made to the values in the SCT to calculate the values in the Pay-Versus-Performance table above:

Adjustments to Determine Compensation Actually Paid for PEO	2023	2022	2021
Deduction for Amounts Reported under the “Stock Awards” column in SCT	\$ (785,000) \$	— \$	—
Change in fair value of awards granted during the year that remain unvested as of year-end	\$ 251,000 \$	— \$	—
Increase/Deduction for Change in Fair Value from prior Year-end to current year-end for Awards that were Outstanding and Unvested as of year-end	\$ — \$	— \$	—
Increase/Deduction for Change in Fair Value from prior Year-end to current year-end for awards that were vested as of year-end	\$ — \$	2,128,000 \$	7,184,000
Adjustments to Determine Compensation Actually Paid for non-PEO NEOs			
Deduction for Amounts Reported under the “Stock Awards” column in SCT	\$ 589,900 \$	1,103,986 \$	952,320
Change in fair value of awards granted during the year that remain unvested as of year-end	\$ 276,100 \$	338,100 \$	1,185,384
Increase/Deduction for Change in Fair Value from prior Year-end to current year-end for Awards that were Outstanding and Unvested as of year-end	\$ (111,922) \$	(65,246) \$	(5,434,000)
Increase/Deduction for Change in Fair Value from prior Year-end to current year-end for awards that were vested as of year-end	\$ (6,500) \$	(18,000) \$	2,013,589

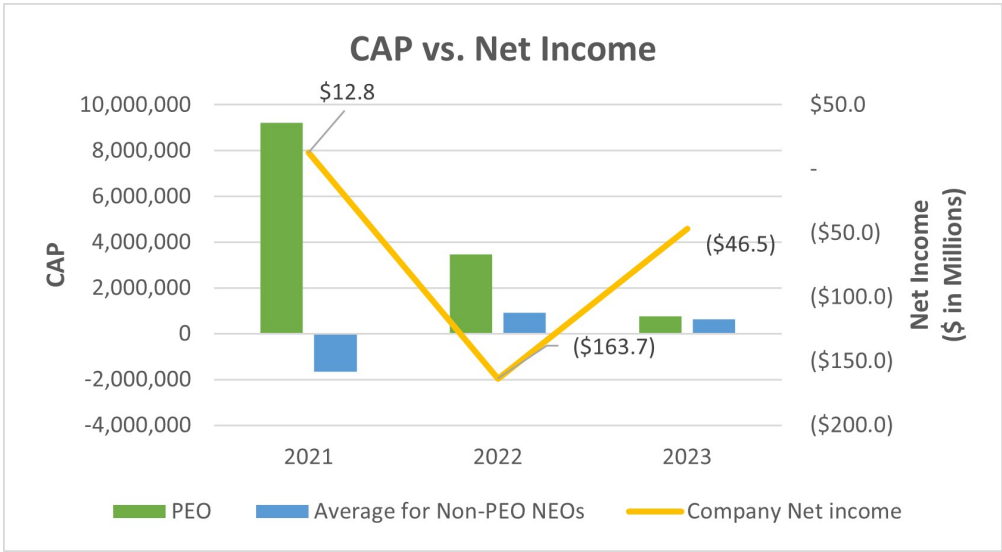
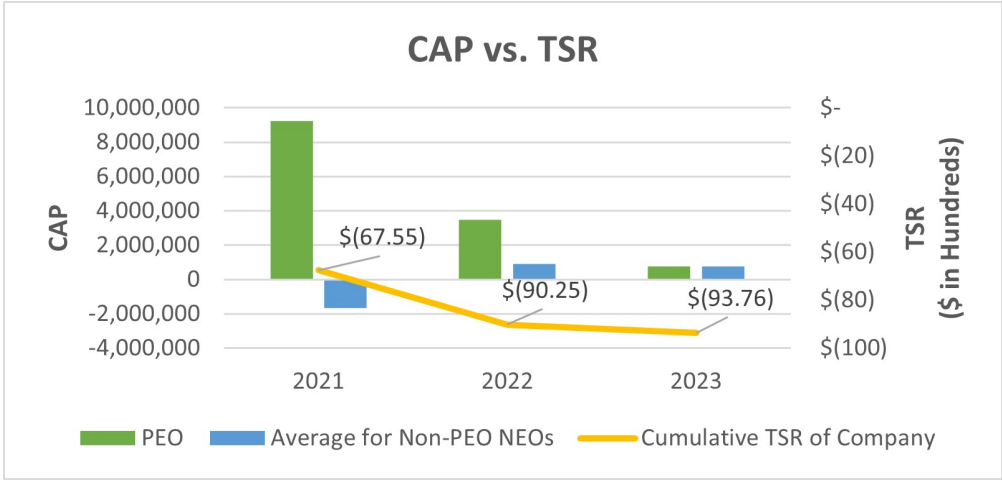
Most Important Financial Performance Measures

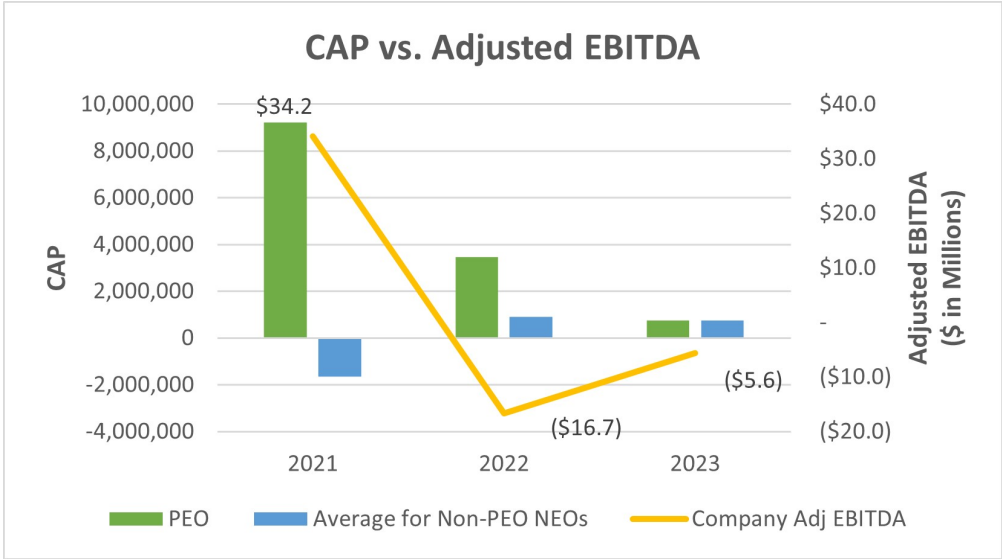
Below is an unranked list of financial performance measures that the Company considers to be the most important financial performance measures linking CAP to NEOs to the Company’s performance.

- Revenue
- Gross Profit
- Adjusted EBITDA

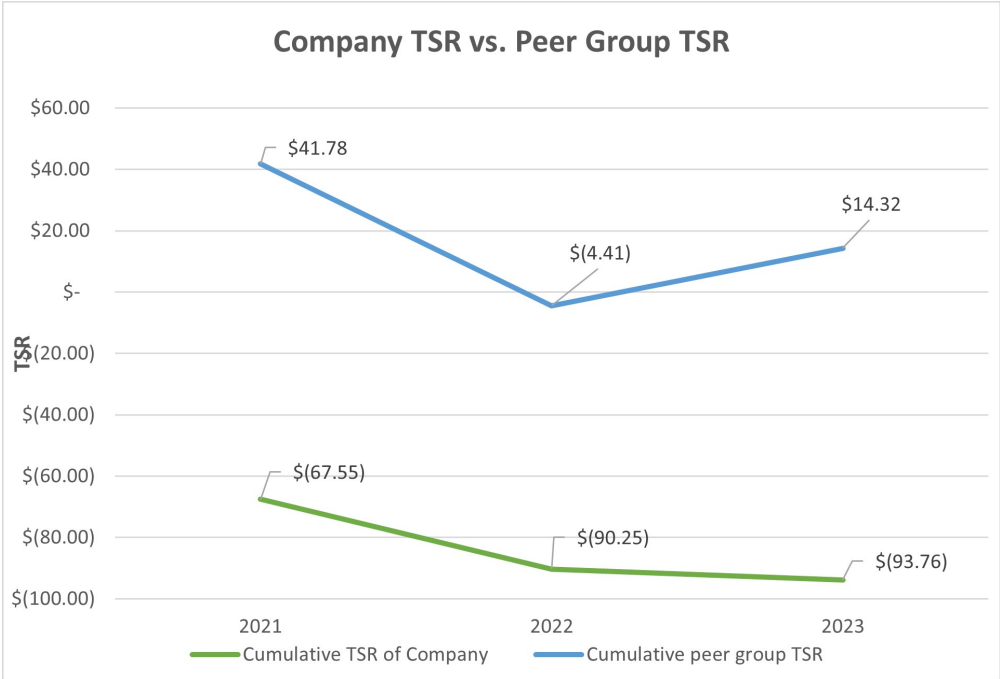
Pay-Versus-Performance Tables

The tables below demonstrate the relationship between CAP to our NEOs and Total Shareholder Return (“TSR”), net income, and Adjusted EBITDA for each of 2023, 2022, and 2021.





The table below demonstrates the relationship between the Company's TSR and the Company's peer group TSR beginning December 31, 2020 and ending on December 31, 2023.



Reconciliation of EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures commonly used in our industry and should not be construed in isolation as substitutions to net income (loss) as indicators of operating performance or as alternatives to cash flow provided by operating activities as a measure of liquidity (each as determined in accordance with GAAP). GrowGeneration defines EBITDA as net income (loss) before interest income, interest expense, income tax expense, depreciation and amortization, and Adjusted EBITDA as further adjusted to exclude certain items such as stock-based compensation, impairment losses, restructuring and corporate rationalization costs, and other non-core or non-recurring expenses and to include income from our marketable securities as these investments are part of our operational business strategy and increase the cash available to us. We believe these non-GAAP measures, when used in conjunction with net income (loss), provide meaningful supplemental information to both management and investors, facilitating the evaluation of performance across reporting periods. Management uses these non-GAAP measures for internal planning and reporting purposes. These non-GAAP measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. We believe that these non-GAAP financial measures may be useful to investors in their assessment of our operating performance and valuation. In addition, these non-GAAP financial measures address questions routinely received from analysts and investors and, in order to ensure that all investors have access to the same data, we have determined that it is appropriate to make this data available to all investors.

Set forth below is a reconciliation of EBITDA and Adjusted EBITDA to net income (loss) (in thousands):

	Year ended December 31,		
	2023	2022	2021
Net income (loss)	\$ (46,496)	\$ (163,747)	\$ 12,786
Benefit (provision) for income taxes	32	(2,885)	2,443
Interest income	(2,696)	(580)	(486)
Interest expense	97	21	43
Depreciation and amortization	16,607	17,132	12,600
EBITDA	\$ (32,456)	\$ (150,059)	\$ 27,386
Share-based compensation	3,171	4,967	6,585
Investment income	2,696	—	—
Impairment loss	15,659	127,831	—
Restructuring and other charges ⁽¹⁾	5,376	568	197
Adjusted EBITDA	\$ (5,554)	\$ (16,693)	\$ 34,168

⁽¹⁾ Consists primarily of expenditures related to the activity of store and distribution consolidation and one-time severances

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the number of shares of Common Stock beneficially owned as of the Record Date by:

- each of our shareholders who is known by us to beneficially own 5% or more of our Common Stock;
- each of our NEOs;
- each of our directors; and
- all of our directors and NEOs as a group.

Beneficial ownership is determined based on the rules and regulations of the SEC. A person has beneficial ownership of shares if such person has the power to vote and/or dispose of shares. This power may be sole or shared and direct or indirect. Applicable percentage ownership in the following table is based on the total of 61,508,734 shares of Common Stock outstanding as of the Record Date. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock that are subject to options or warrants held by that person and exercisable as of, or within 60 days of, the Record Date shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities owned by such person. These shares, however, are not counted as outstanding for the purposes of computing the percentage ownership of any

other person(s). Except as may be indicated in the footnotes to this table and pursuant to applicable community property laws, each person named in the table has sole voting and dispositive power with respect to the shares of Common Stock set forth opposite that person's name. Unless indicated below, the address of each person listed below is c/o GrowGeneration Corp., 5619 DTC Parkway, Suite 900, Greenwood Village, Colorado 80111.

Name of Beneficial Owner	Number of Shares Beneficially owned	Percentage of Shares Beneficially Owned
Michael Salaman, President and Director	1,540,075 (1)	2.50 %
Darren Lampert, Chief Executive Officer and Director	1,633,120 (2)	2.65 %
Greg Sanders, Chief Financial Officer	94,465 (3)	*
Stephen Aiello, Director	572,729 (4)	*
Paul Ciasullo, Director	492,500 (5)	*
Eula Adams, Director	52,870 (6)	*
All Officers and Directors (6 persons)	4,385,759	7.07 %
ETF Managers Group LLC 30 Maple St, Ste 2 Summit, NJ 07091	3,578,793 (7)	5.82 %
Black Rock 55 Hudson Yard New York, NY 10001	4,417,988 (8)	7.18 %

*Represents beneficial ownership of less than 1%.

(1) Includes (i) 1,290,075 shares of Common Stock owned by Mr. Salaman; (ii) 50,000 shares of Common Stock held in a charitable trust ; and (iii) 200,000 vested stock options.

(2) Includes (i) 1,383,120 shares of Common Stock owned by Mr. Lampert; (ii) 50,000 shares of Common Stock held in a charitable trust; and (iii) 200,000 vested stock options.

(3) Includes (i) 74,465 shares of Common Stock; and (ii) 20,000 vested stock options.

(4) Includes (i) 394,977 shares owned by Stephen Aiello, (ii) 161,086 shares of Common Stock owned by Aiello Family Trust; and (iii) 16,666 vested options.

(5) Includes (i) 442,500 shares of Common Stock; and (ii) 50,000 vested stock options. Mr. Ciasullo resigned from the Board effective April 23, 2024, after the date as of which the information in this table is shown (the Record Date).

(6) Composed entirely of Common Stock.

(7) Based solely on the information set forth in the Schedule 13G/A filed with the SEC on February 14, 2023, ETF Managers Group LLC is the beneficial owner of 3,578,793 shares of Common Stock. The ETFMG Alternative Harvest ETF, a series of the ETF Managers Trust, which is managed on a discretionary basis by ETF Managers Group LLC, has the right or the power to direct the receipt of dividends, or the proceeds from the sale of, the Common Stock.

(8) Based solely on the information set forth in the Schedule 13G filed with the SEC on January 26, 2024, BlackRock, Inc. is the beneficial owner of 4,417,988 shares of Common Stock.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements described under *Executive Compensation* and in the Notes to the Consolidated Financial Statements of GrowGeneration and its Subsidiaries filed with the Company's latest Annual Report on Form 10-K, during the fiscal year ended December 31, 2023 and through the date of this Proxy Statement, there are no transactions or series of similar transactions to which the Company was a party or will be a party, in which: (i) the amounts involved exceeded or will exceed \$120,000; and (ii) any of the Company's directors, director nominees, executive officers, or holders of more than 5% of its capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

The Board has adopted a related party transaction policy. It is the responsibility of the Governance Committee to administer this policy.

Prior to entering into a potential related party transaction, the related party must notify the Company's in-house counsel in writing of the facts and circumstances of the proposed transaction to undertake an evaluation of whether the proposed transaction would constitute a related party transaction that requires approval of the Governance Committee. If counsel determines that the proposed transaction would constitute a related party transaction, counsel reports the proposed transaction, together with a summary of the material facts, to the Governance Committee for consideration.

In determining whether to approve a related party transaction, the Governance Committee takes into account, among other factors it deems appropriate, (i) whether the transaction was undertaken in the ordinary course of business of the Company, (ii) whether the transaction was initiated by the Company or the related party, (iii) whether the

transaction is on terms no less favorable to the Company than terms that could have been reached with an unrelated third party, (iv) the purpose and potential benefits to the Company of the transaction, (v) the approximate dollar value of the transaction, particularly as it relates to the related party, (vi) the related party's interest in the transaction, and (vii) any other information regarding the transaction or the related party that would be material to investors in light of the circumstances of the particular transaction.

The Governance Committee reviews all relevant information available to it about the related party transaction and either approves or disapproves entry into the transaction. If a transaction involves a related party who is a director or an immediate family member of a director, such director may not participate in any discussion or vote regarding such transaction. The Governance Committee, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the related party in connection with the approval of the transaction.

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PROPOSAL 2: SAY-ON-PAY

Shareholders are provided with the opportunity to cast a non-binding advisory vote to approve named executive officer compensation as described in *Compensation Discussion and Analysis*, the Summary Compensation Table, and the related compensation tables, notes, and narrative in this Proxy Statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the executive compensation policies and practices described in this Proxy Statement. Although this vote is non-binding, the Board and the Compensation Committee value the opinions expressed by shareholders in their vote on this proposal and will consider the outcome of the vote when making future compensation policies and decisions for named executive officers.

The Compensation Discussion and Analysis in this Proxy Statement describes our executive compensation program and the decisions made by the Compensation Committee in 2023 in more detail. We encourage shareholders to review this section. The Board and the Compensation Committee believe that the compensation program for named executive officers motivates the executive officers and encourages an appropriate level of risk-taking in order to achieve strong financial performance amid continuing macroeconomic and industry challenges.

The Board of Directors recommends that you vote “FOR” the following advisory resolution:

Resolved, that the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion in this Proxy Statement, be, and hereby is, adopted, approved and ratified in all respects.

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PROPOSAL 3: EQUITY PLAN AMENDMENT

Overview of Equity Plans

The Company has maintained incentive equity plans since its founding in 2014. The general purpose of these equity plans is to align the interests of the Company's employees, directors, consultants, and advisors with the interests of shareholders by enabling such service providers to share in the long-term growth of the Company's business. The Board and the Compensation Committee believe that the granting of stock options, restricted stock units, performance stock units, and similar kinds of equity-based compensation promotes continuity of management and increases incentive and personal interest in the welfare of the Company by those who are primarily responsible for shaping and carrying out its long-term plans and securing its growth and financial success.

2014 Equity Compensation Plan

On March 6, 2014, the Board adopted an Equity Compensation Plan (the "2014 Plan"). The 2014 Plan was approved by the shareholders on March 6, 2014. The 2014 Plan expired by its terms as of March 5, 2024 and is no longer in effect.

As of March 5, 2024, the date of expiration of the 2014 Plan, there had been a total of 2,281,500 options (of which 2,108,833 options had been exercised, 172,667 had been forfeited and 0 remained outstanding) and 382,351 shares of Common Stock issued under the 2014 Plan. No shares remain available for issuance under the 2014 Plan due to its expiration.

2018 Equity Compensation Plan

On January 7, 2018, the Board adopted the 2018 Equity Incentive Plan (the "2018 Plan"), which was approved and ratified by the shareholders on April 20, 2018. On February 7, 2020, the Board approved the amendment and restatement of the 2018 Plan to increase the number of shares issuable thereunder from 2,500,000 to 5,000,000, which amendment and restatement was approved by shareholders on May 11, 2020 (the "First Restated 2018 Plan"). On April 26, 2023, the Board approved the amendment of the First Restated 2018 Plan to increase the number of shares issuable thereunder, however such amendment was not approved by shareholders and therefore did not become effective. On April 22, 2024, the Board approved another amendment of the First Restated 2018 Plan as set forth in Exhibit A attached to this Proxy Statement. Among other things, such amendment would add minimum vesting periods and double-trigger change-in-control provisions, expressly prohibit repricing or backdating of options or stock appreciation rights without shareholders' approval, and increase the total number of shares issuable under the plan. The Company is hereby submitting such amendment to the shareholders for approval. See *Proposed Amendment* below for additional details.

As of the Record Date, under the First Restated 2018 Plan, there have been a total of (i) 1,888,500 options issued (of which 509,666 are currently outstanding, 1,018,911 have been exercised and 359,926 have been forfeited), and (ii) 2,228,260 shares of Common Stock issued. There are a total of (i) 920,292 shares awarded but unvested and (ii) 322,871 shares available to be awarded in the future.

Oversight of Equity Plans

The Board oversees and the Compensation Committee administers our equity plans. In discharging their oversight and administration responsibilities, among other things, the Board and the Compensation Committee regularly review the adequacy of the terms and conditions of our equity plans and monitor the awards granted and the availability of additional awards thereunder.

Proposed Amendment

In their recent review of the terms and conditions of the First Restated 2018 Plan, the Board and the Compensation Committee took into consideration, among other things, feedback from shareholders as well as the written proxy voting guidelines of certain major shareholders and proxy advisory firms and current best-practices with respect to public company incentive equity plans. Based on such assessment, the Compensation Committee has recommended to the Board, and the Board has approved, certain amendments to the First Restated 2018 Plan intended to reduce the risk of "pay for failure," to encourage the creation of long-term shareholder value, and to help retain executives as employees of the Company. Such amendments include the following:

- *No Repricing* – Expressly prohibiting repricing or backdating of options or stock appreciation rights without shareholders' approval.

- *Minimum Vesting Period* – Providing for a minimum vesting period of 180 days from the date of grant for options, stock appreciation rights, and restricted stock units.
- *Double-Trigger Change of Control* – Providing that a participant’s awards will be accelerated if (i) there is a change of control and (ii) the services of the participant are terminated without “Cause” or the participant is re-assigned to a job in a lower position that results in a reduction of job duties and/or responsibilities and a reduction in salary or total compensation.

In addition, the Board and the Compensation Committee evaluated the following considerations with respect to the First Restated 2018 Plan, among other relevant factors:

- the number of shares that remain available for issuance under the First Restated 2018 Plan;
- the historical pace of awards granted under the Company’s equity plans;
- the future equity compensation needs of the Company;
- the potential for future shareholder dilution as a result of equity grants under the Company’s equity incentive plans; and
- the report of its independent compensation consultant, Hays Companies, regarding the Company’s executive and senior management compensation levels in comparison to those of peer group companies and market practices generally.

Due to the low number of shares that remain available for issuance under the First Restated 2018 Plan, the Compensation Committee has recommended to the Board, and the Board has approved, an amendment to increase the total number of shares issuable under the First Restated 2018 Plan by 1,500,000 shares, from 5,000,000 to 6,500,000. The Board and the Compensation Committee estimate that an additional 1,500,000 shares available for issuance under the First Restated 2018 Plan, when combined with the 322,871 shares currently remaining available for issuance thereunder, will support the Company’s equity compensation needs for approximately three to four years. The Board and the Compensation Committee believe that such increase is necessary to promote the Company’s and its shareholders’ best interests by enhancing the Company’s ability to:

- attract, retain, and reward talented employees, consultants, directors, and advisors who are in a position to make significant contributions to the Company’s success;
- encourage employees, consultants, directors, and advisors to take into account the Company’s long-term interests through ownership of its shares;
- enable the Company to grant more equity awards with performance-based vesting criteria; and
- support succession planning, especially as our co-founders approach retirement age.

Furthermore, the Board and the Compensation Committee believe that making an additional 1,500,000 shares available for issuance under the First Restated 2018 Plan would not result in excessive shareholder dilution given there were 61,508,734 total shares of Common Stock issued and outstanding as of the Record Date.

For the reasons set forth above, the Board and the Compensation Committee believe that it is in the best interest of the Company and its shareholders to approve amendment to the Restated 2018 Plan in the form attached to this Proxy Statement as [Exhibit A](#) (the “Second Restated 2018 Plan”).

For convenience, the Second Restated 2018 Plan is presented in [Exhibit A](#) as a redline comparison to the First Restated 2018 Plan so that amendments from the First Restated 2018 Plan to the Second Restated 2018 Plan are easy to identify. Red text with strike through indicates text deleted from the First Restated 2018 Plan. Blue text with underline indicates text added to the First Restated 2018 Plan.

Approval of Amendment

On April 22, 2024, the Board approved the Second Restated 2018 Plan. The Company is hereby submitting the Second Restated 2018 Plan to shareholders for approval.

If the Second Restated 2018 Plan is approved by shareholders at the Annual Meeting, it will become effective on the date of the Annual Meeting. If the Second Restated 2018 Plan is not approved by our shareholders, then the First Restated 2018 Plan will remain in effect as it presently exists.

New Plan Benefits

It is not possible to determine specific amounts and types of equity awards that may be granted in the future under the Second Restated 2018 Plan, if approved by shareholders, because the grant of future awards under the plan is discretionary. However, the Company has recently granted restricted stock and/or restricted stock units to its executive officers and directors as part its executive and director compensation arrangements. The table below sets forth the equity awards granted during 2023, 2022, and 2021 under the First Restated 2018 Plan to the Company's executive officers and non-employee directors.

Name and Position	Number of Shares of Restricted Stock/Restricted Stock Units Granted 2023		Number of Shares of Restricted Stock/Restricted Stock Units Granted 2022		Number of Shares of Restricted Stock/Restricted Stock Units Granted 2021	
		Dollar (6)		Dollar (6)		Dollar (6)
Darren Lampert, Chief Executive Officer (1)	200,000	\$ 502,000	—	\$ —	—	\$ —
Michael Salaman, President (2)	200,000	502,000	—	—	—	—
Gregory Sanders, Chief Financial Officer (3)	180,000	451,800	105,000	411,600	—	—
Jeffrey Lasher, Former Chief Financial Officer (4)	—	—	130,000	509,600	60,000	783,000
Paul Rutenis, Former Chief Merchandising Officer (5)	—	—	74,999	293,996	40,000	522,000
Executive Officer Group	580,000	1,455,800	309,999	1,215,196	100,000	1,305,000
Non-Executive Director Group (7)	65,000	163,150	65,000	254,800	10,000	130,500
Non-Executive Officer Employee Group (8)	548,750	1,377,363	668,750	2,621,500	154,750	2,019,488
Total	1,193,750	\$ 2,996,313	1,043,749	\$ 4,091,496	264,750	\$ 3,454,988

(1) Mr. Lampert's 2023 award consists of RSUs vesting bi-annually over two years.

(2) Mr. Salaman's 2023 award consists of RSUs vesting bi-annually over two years.

(3) Mr. Sanders' 2023 award consists of RSUs vesting bi-annually over three years. Mr. Sanders' 2022 awards consisted of (i) 15,000 RSUs vesting annually over four years, and (ii) 90,000 RSUs vesting bi-annually over three years. The 2023 award superseded and replaced the 90,000 RSU award in 2022, cancelling 75,000 unvested awards from the original grant of 90,000 RSUs. Therefore, although 105,000 total RSUs granted in 2022, 75,000 of those RSUs were cancelled, for a net amount of 30,000 RSUs.

(4) Mr. Lasher's 2022 awards consisted of (i) 100,000 RSUs that vest on an annual basis over four years, and (ii) 30,000 RSUs related to his separation agreement that vested over four months. Mr. Lasher's 2021 award consisted of 60,000 RSUs vesting on an annual basis over three years. Unvested RSUs were forfeited upon his resignation, except for the RSUs provided for in his separation agreement.

(5) Mr. Rutenis' 2022 awards consisted of (i) 65,000 RSUs vesting annually over four years and (ii) 9,999 RSUs related to his separation agreement that vested over one month. Mr. Rutenis' 2021 award consisted of 40,000 RSUs vesting annually over three years. Unvested RSUs were forfeited upon his resignation, except for the RSUs provided for in his separation agreement.

(6) Represents the dollar value of shares granted in a given year based on the year-end stock price for that year. The year-end stock prices for 2023, 2022, and 2021 were \$2.51, \$3.92, and \$13.05.

(7) These awards consist of restricted stock.

(8) These awards consist of restricted stock and RSUs that, generally, vest over a period of three to four years.

Summary of the Terms of the Second Restated 2018 Plan

The following summary of principal terms is qualified in its entirety by the full text of the Second Restated 2018 Plan attached to this Proxy Statement as [Exhibit A](#).

Administration

The Second Restated 2018 Plan will be administered by our Compensation Committee. The Compensation Committee may grant options to purchase shares of our Common Stock, stock appreciation rights, restricted stock units, restricted or unrestricted shares of our Common Stock, performance shares, performance units, other cash-based awards and other stock-based awards. The Compensation Committee also has authority to determine the terms and conditions of each option or other kind of equity award, to adopt, amend, and rescind rules for the administration of the Second Restated 2018 Plan, and to amend or modify outstanding options, grants, and awards, in each case subject to certain limitations set forth in the Second Restated 2018 Plan.

Eligibility

Persons eligible to receive awards under the Second Restated 2018 Plan are employees, directors, and consultants of the Company. The Compensation Committee may at any time and from time to time grant awards under the Second Restated 2018 Plan to eligible persons on a discretionary basis.

Shares Subject to the Plan

The aggregate number of shares of Common Stock available for issuance in connection with options and awards granted under the Second Restated 2018 Plan is 6,500,000, subject to customary adjustments for stock splits, stock dividends, and similar transactions. Incentive stock options may be granted under the Second Restated 2018 Plan with respect to all of those shares. If any option or stock appreciation right granted under the Second Restated 2018 Plan terminates without having been exercised in full, if any award is forfeited, or if shares of Common Stock are withheld to cover withholding taxes on options or other awards, the number of shares of Common Stock as to which such option or award terminated or was forfeited, or which were withheld, will be available for future grants under the Second Restated 2018 Plan. The maximum aggregate number of shares of Common Stock with respect to one or more awards that may be granted during any calendar year is 1,000,000 and the maximum aggregate amount of cash that may be paid during any calendar year with respect to one or more awards payable in cash is \$600,000.

Options

Options granted under the Second Restated 2018 Plan may be either "incentive stock options" that are intended to meet the requirements of Section 422 of the Code or "nonstatutory stock options" that do not meet such requirements. Incentive stock options may be granted only to employees. Each option grant will be evidenced by an award agreement that will specify the terms and conditions as determined by the Compensation Committee.

The Compensation Committee will determine the exercise price of options granted under the 2018 Plan. The exercise price of stock options may not be less than the fair market value, on the date of grant, per share of our Common Stock issuable upon exercise of the option (or 110% of fair market value in the case of incentive options granted to a ten-percent shareholder). If on the date of grant the Common Stock is listed on a stock exchange or a national market system, the fair market value is the closing sale price on the last trading day before the date of grant. If no such prices are available, the fair market value is determined in good faith by the Compensation Committee based upon the advice of a qualified valuation expert. Generally, the exercise price may be paid (i) in cash or by bank check, (ii) through delivery of shares of Common Stock having a fair market value equal to the purchase price, (iii) through cashless exercise, or (iv) a combination of these methods.

No option may be exercisable in less than 180 days from its date of grant or for more than ten years (five years in the case of an incentive stock option granted to a 10% shareholder) from the date of grant. Options granted under the Second Restated 2018 Plan will be exercisable at such time or times as the Compensation Committee prescribes at the time of grant. No employee may receive incentive stock options that first become exercisable in any calendar year in an amount exceeding \$100,000.

No option may be transferred other than by will or by the laws of descent and distribution, and during a recipient's lifetime an option may be exercised only by the recipient.

Stock Appreciation Rights

The Compensation Committee may grant stock appreciation rights under the Second Restated 2018 Plan in such amounts as the Compensation Committee in its discretion will determine. Each stock appreciation right grant will be evidenced by an award agreement that will specify the terms and conditions as determined by the Compensation Committee. The exercise price per share of a stock appreciation right will be determined by the Committee but will not be less than 100% of the fair market value of our Common Stock on the date of grant. No stock appreciation right may be exercisable in less than 180 days from its date of grant. The maximum term of any stock appreciation right granted under the Second Restated 2018 Plan is ten years from the date of grant. Generally, each stock appreciation right will entitle a participant upon exercise to an amount equal to: (i) the excess of the fair market value on the exercise date of our Common Stock over the exercise price, *multiplied by* (ii) the number of shares of Common Stock covered by the stock appreciation right.

Payment may be made in shares of our Common Stock, in cash, or partly in Common Stock and partly in cash, all as determined by the Compensation Committee.

Restricted Stock and Restricted Stock Units

The Compensation Committee may award restricted Common Stock and/or restricted stock units under the Second Restated 2018 Plan in such amounts as the Compensation Committee in its discretion will determine. The Compensation Committee will determine the restrictions and conditions applicable to each award of restricted stock or restricted stock units, as evidenced in an award agreement, which may include performance-based conditions. No restricted stock unit may vest in less than 180 days from its date of grant. Dividends and other distributions with respect to restricted stock may be paid to the holder of the shares as and when dividends are paid to shareholders, unless otherwise provided in the award agreement. Unless the Compensation Committee determines otherwise, holders of restricted stock will have the right to vote the shares.

Performance Shares and Performance Units

The Compensation Committee may award performance shares and/or performance units under the Second Restated 2018 Plan in such amounts as the Compensation Committee in its discretion will determine. Each performance unit will have an initial value that is established by the Compensation Committee on or before the date of grant. Each performance share will have an initial value equal to the fair market value of a share on the date of grant. The Compensation Committee at its discretion will set performance objectives or other vesting provisions. The Compensation Committee will determine the restrictions and conditions applicable to each award of performance shares and performance units, as evidenced in an award agreement.

Effect of Certain Corporate Transactions

In the event of a change in control (as defined in the Second Restated 2018 Plan), the Compensation Committee has the discretion, without the consent of any recipient, to take the following actions as to an outstanding award: (i) awards will be assumed, or substantially equivalent awards will be substituted, by the acquirer or successor; (ii) awards will terminate upon or immediately prior to the consummation of such change in control; (iii) outstanding awards will vest and become exercisable, or restrictions applicable to awards will lapse, in whole or in part, prior to or upon consummation of such change in control, and terminate upon or immediately prior to such change in control; (iv) awards will be terminated in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such award; (v) awards will be replaced with other rights and/or property selected by the Committee in its discretion; or (vi) any combination of the foregoing.

If both (i) a change of control occurs and (ii) the services of a participant are terminated as a result of an involuntary termination (meaning any termination by the Company without cause or the re-assignment of the participant to a job in a lower position that results in a reduction of job duties and/or responsibilities and a reduction in salary or total compensation) during the period beginning three months prior to the date of a change in control and ending twelve months thereafter, the participant will fully vest in and have the right to exercise all outstanding options and stock appreciation rights, including shares as to which such awards would not otherwise be vested or exercisable, all restrictions on restricted stock will lapse, and, with respect to restricted stock units, performance shares and performance units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

Amendment and Termination

The Compensation Committee may at any time amend the terms of awards in any manner not inconsistent with the Second Restated 2018 Plan, provided that no amendment shall adversely affect the rights of a participant with respect to an outstanding award without the participant's consent. In addition, the Compensation Committee may at any time amend, suspend, or terminate the Second Restated 2018 Plan, provided that (i) no such amendment, suspension, or termination shall materially and adversely affect the rights of any participant under any outstanding award without the consent of such participant and (ii) to the extent necessary to comply with any applicable law or stock exchange rule, the Company will obtain shareholder consent of an amendment to the plan.

Except for the adjustments in connection with certain events such as dividend distribution, stock split, and merger, neither the Compensation Committee nor any other person may: (i) amend the terms of outstanding options or stock appreciation rights to reduce the exercise or base price of such outstanding options or stock appreciation rights; (ii) cancel outstanding options or stock appreciation rights in exchange for options or stock appreciation rights with an exercise or base price that is less than the exercise or base price of the original options or stock appreciation rights; or (iii) cancel outstanding options or stock appreciation rights with an exercise or base price above the current fair market value of a share in exchange for cash or other securities, in each case, without prior approval of the

Company's shareholders. In addition, the Compensation Committee may not make a grant of an options or stock appreciation rights with a grant date that is effective prior to the date the Compensation Committee takes action to approve such award.

Tax Withholding

Prior to delivery of any shares or cash pursuant to an award or exercise thereof, the Company may deduct or withhold, or require a holder of such award to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes required to be withheld with respect to such award or exercise thereof.

Grant of Awards

The grant of awards under the Second Restated 2018 Plan is discretionary and the Company cannot determine now the specific number, type, or terms of awards to be granted in the future to any particular person or group.

The Board of Directors recommends that you vote "FOR" the approval and ratification of the amendment and restatement of the Company's Amended and Restated 2018 Equity Incentive Plan.

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PROPOSAL 4: INDEPENDENT AUDITOR

Grant Thornton LLP (“Grant Thornton”) was appointed by the Audit Committee, and such appointment was ratified by shareholders, to serve as our independent registered public accounting firm (“auditor”) for 2023 and 2022.

The following table shows the fees that were billed for the audit and other services provided by Grant Thornton 2023 and 2022, respectively. The Audit Committee evaluates and approves the retention and fees of the auditor for any non-audit service in advance.

	2023		2022	
Audit Fees	\$	1,369,012	\$	1,400,350
Audit-Related Fees		—		—
Tax Fees		—		—
All Other Fees		—		—
Total	\$	1,369,012	\$	1,400,350

Audit Fees

This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q, and services that are normally provided by the auditor in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or review of our financial statements.

Audit-Related Fees

This category consists of assurance and related services by the auditor that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under *Audit Fees*. The services for the fees disclosed under this category include consultation regarding the Company’s correspondence with the SEC, if any, and other accounting consulting.

Tax Fees

This category consists of professional services rendered by the auditor for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

All Other Fees

This category consists of fees for other miscellaneous items.

2024 Engagement

The Audit Committee has selected Grant Thornton to act as the Company’s auditor for the 2024 fiscal year. Although shareholder approval or ratification is not required by the Company’s bylaws or otherwise, the Board is submitting the appointment of Grant Thornton to the shareholders for approval and ratification as a matter of good corporate practice. If the appointment is not approved and ratified by shareholders, the Audit Committee will re-evaluate its appointment, taking into consideration the shareholders’ vote. However, pursuant to the Audit Committee Charter, the Audit Committee is solely responsible for the appointment and termination of the Company’s auditors and may do so at any time in its discretion.

Representatives of Grant Thornton are encouraged but not required to be present at the Annual Meeting.

The Board of Directors recommends that you vote “FOR” the approval and ratification of the appointment of Grant Thornton as GrowGeneration’s independent registered public accounting firm for the 2024 fiscal year.

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OTHER BUSINESS

Other Matters that May Come Before the Annual Meeting

The Board does not know of any other matters that may be brought before the Annual Meeting, nor does it foresee or have reason to believe that proxy holders will have to vote for substitute or alternate nominees for election to the Board. In the event that any other matter should be properly brought before the Annual Meeting or any nominee is not available for election, the persons named in the proxy that is submitted via the Internet or mail will have discretionary authority to vote all proxies in accordance with the recommendation of the Board, unless otherwise specified to the contrary with respect to such matters.

Annual Report

The Company filed its Annual Report on Form 10-K for the year ended December 31, 2023 (“2023 10-K”) with the SEC on March 13, 2024. The 2023 10-K, the Notice of the 2024 Annual Meeting of Shareholders, and the Proxy Statement are available on the Internet at www.proxyvote.com.

The Company’s 2023 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the SEC’s website at www.sec.gov and the Company’s website at ir.growgeneration.com. Upon request, the Company will provide, without charge, to any person to whom a proxy statement is delivered, a copy of any information that has been incorporated by reference in this Proxy Statement (not including exhibits to the information that is incorporated by reference unless such exhibits are specifically incorporated by reference into such information). Shareholders may request to receive a full package of the proxy materials by following the instructions included in the Notice.

Exhibit A

SECOND AMENDED AND RESTATED 2018 EQUITY COMPENSATION PLAN OF GROWGENERATION CORP.

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GROWGENERATION CORP.

SECOND AMENDED AND RESTATED 2018 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide incentives to individuals who perform services for the Company, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares and other stock or cash awards as the Administrator may determine.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 hereof.

(b) "Affiliate" means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

(c) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(d) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares and other stock or cash awards as the Administrator may determine.

(e) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Cause" shall be as defined in any employment or other agreement between the Participant and the Company (or an Affiliate) or, if there is no such agreement or definition therein, Cause shall be defined to include: (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 Participant's employment that is materially injurious to the Company or an Affiliate, which includes sexual assault, sexual harassment, or similar misconduct; (d) refusal or intentional failure to comply with any lawful written directive of the Board reasonably within the scope of Participant's duties and responsibilities; (e) material breach of Participant's fiduciary duty or duty of loyalty to any Company or an Affiliate; or (f) material breach of an Award Agreement, any other contract with any Company or an Affiliate, or any policy of any Company or an Affiliate that is not cured (if capable of cure) within ten (10) business days after

written notice to Participant identifying the breach; provided no such opportunity to cure shall be required if a substantially similar breach occurred within the preceding twelve (12)-month period.

~~(g)~~(h) “Change in Control” means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of stock in the Company that, together with the stock already held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any Person who is considered to own more than 50% of the total voting power of the stock of the Company before the acquisition will not be considered a Change in Control; or

(ii) A change in the effective control of the Company, which occurs on the date that a majority of the members of the Board are replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to effectively control the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company’s assets, which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company’s assets or a Change in Control: (A) a transfer to an entity that is controlled by the Company’s stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company’s stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total equity or voting power of which is owned, directly or indirectly, by a Person described in subsection (iii)(B)(3) above. For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

Notwithstanding the foregoing, as to any Award under the Plan that consists of deferred

compensation subject to Section 409A of the Code, the definition of "Change in Control" shall be deemed modified to the extent necessary to comply with Section 409A of the Code.

For purposes of this Section 2(g), persons will be considered to be acting as a group if they are owners of a corporation or other entity that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

(i) "Change in Control Period" means the period beginning (i) three (3) months prior to the date of a Change in Control and ending twelve (12) months after the date of a Change in Control.

~~(H)~~(j) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

~~(+)(k)~~ (k) “Committee” means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

~~(+)(l)~~ (l) “Common Stock” means the common stock, \$.001 par value per share, of the Company.

~~(+)(m)~~ (m) “Company” means GrowGeneration, Corp., a Colorado corporation, or any successor thereto.

~~(+)(n)~~ (n) “Consultant” means any person, including an advisor, engaged by the Company or a Parent, Subsidiary or Affiliate to render services to the Company or a Subsidiary.

~~(+)(o)~~ (o) “Determination Date” means the latest possible date that will not jeopardize the qualification of an Award granted under the Plan as “performance-based compensation” under Section 162(m) of the Code.

~~(+)(p)~~ (p) “Director” means a member of the Board.

~~(+)(q)~~ (q) “Disability” means permanent and total disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

~~(+)(r)~~ (r) “Employee” means any person, including Officers and Directors, employed by the Company or any Parent, Subsidiary or Affiliate of the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

~~(+)(s)~~ (s) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

~~(+)(t)~~ (t) “Exchange Program” means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower exercise prices and different terms), Awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

~~(+)(u)~~ (u) “Fair Market Value” means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or if no closing sales price was reported on that date, as applicable, on the last trading date such closing sales price was reported) as quoted on such exchange or system on the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were

reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, or if such Common Stock is not regularly quoted or does not have sufficient trades or bid prices which would accurately reflect the actual Fair Market Value of the Common Stock, the Fair Market Value will be determined in good faith by the Administrator upon the advice of a qualified valuation expert.

~~(t)~~(v) "Fiscal Year" means the fiscal year of the Company.

~~(u)~~(w) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

~~(x)~~ "Involuntary Termination" means (i) any termination of the Participant by the Company (or an Affiliate) without Cause or (ii) the re-assignment of the Participant to a job in a lower position that results in a reduction of job duties and/or responsibilities and a reduction in salary or total compensation, as determined by the Administrator in its sole discretion.

~~(y)~~(y) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

~~(z)~~(z) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

~~(aa)~~(aa) "Option" means a stock option granted pursuant to Section 6 hereof.

~~(bb)~~(bb) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

~~(cc)~~(cc) "Participant" means the holder of an outstanding Award.

~~(dd)~~(dd) "Performance Goals" will have the meaning set forth in Section 11 hereof.

~~(ee)~~(ee) "Performance Period" means any Fiscal Year of the Company or such other period as determined by the Administrator in its sole discretion.

~~(ff)~~(ff) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may

whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine pursuant to Section 10 hereof.

~~(dd)~~(gg) “Performance Unit” means an Award which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10 hereof.

~~(ee)~~(hh) “Period of Restriction” means the period during which transfers of Shares of Restricted Stock are subject to restrictions and, therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

~~(ff)~~(ii) “Plan” means this Second Amended and Restated 2018 Equity Incentive Plan.

~~(gg)~~(jj) “Restricted Stock” means Shares issued pursuant to an Award of Restricted Stock under Section 8 hereof, or issued pursuant to the early exercise of an Option.

~~(hh)~~(kk) “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9 hereof. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

~~(ii)~~(ll) “Rule 16b-3” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

~~(jj)~~(mm) “Section 16(b)” means Section 16(b) of the Exchange Act.

~~(kk)~~(nn) “Service Provider” means an Employee, Director, or Consultant.

~~(ll)~~(oo) “Share” means a share of the Common Stock, as adjusted in accordance with Section 15 hereof.

~~(mm)~~(pp) “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

~~(nn)~~(qq) “Subsidiary” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Subject to the provisions of Section 15 hereof, the maximum aggregate number of Shares and options that may be awarded and sold under the Plan is ~~5,000~~6,500,000 Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units, is forfeited to or repurchased by the Company, the unpurchased Shares (or for Awards other than Options and Stock Appreciation Rights, the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Upon exercise of a Stock Appreciation Right settled in Shares, the gross number of Shares covered by the portion of the Award so exercised will cease to be available under the Plan. Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if unvested Shares of Restricted Stock, Restricted Stock Units, Performance Shares or

Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the tax and/or exercise price of an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing provisions of this Section 3(b), subject to adjustment provided in Section 14 hereof, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a) above, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section 3(b).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

(d) Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year (measured from the date of any grant) shall be 1,000,000 and the maximum aggregate amount of cash that may be paid in cash during any calendar year (measured from the date of any payment) with respect to one or more Awards payable in cash shall be \$600,000.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as “performance-based compensation” within the meaning of Section 162(m) of the Code, the Plan will be administered by a Committee of two (2) or more “outside directors” within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

- (i) to determine the Fair Market Value;
- (ii) to select the Service Providers to whom Awards may be granted hereunder;
- (iii) to determine the number of Shares to be covered by each Award granted hereunder;
- (iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder;

(vi) to institute an Exchange Program and to determine the terms and conditions, not inconsistent with the terms of the Plan, for (1) the surrender or cancellation of outstanding Awards in exchange for Awards of the same type, Awards of a different type, and/or cash, (2) the transfer of outstanding Awards to a financial institution or other person or entity, or (3) the reduction of the exercise price of outstanding Awards;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 20(c) hereof), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards;

(x) to allow Participants to satisfy withholding tax obligations in a manner described in Section 16 hereof;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award pursuant to such procedures as the Administrator may determine; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations, and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units, Performance Shares, and such other cash or stock awards as the Administrator determines may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations.

(i) Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds \$100,000 (U.S.), such Options will

be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted.

(ii) The Administrator will have complete discretion to determine the number of Shares subject to an Option granted to any Participant.

(b) Term of Option. The Administrator will determine the term of each Option in its sole discretion; provided, however, that the term will be no more than ten (10) years from the date of grant thereof. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock

Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, but will be no less than 100% of the Fair Market Value per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(c), Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised. [Except as provided in Section 15 hereof, no Option may become exercisable in less than one hundred and eighty \(180\) days from its date of grant.](#)

(iii) Form of Consideration. The Administrator will determine the acceptable form(s) of consideration for exercising an Option, including the method of payment, to the extent permitted by Applicable Laws. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided further that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) through cashless exercise by reduction in the number of shares of Common Stock otherwise deliverable upon exercise of such Option with a Fair Market Value equal to the aggregate exercise price at the time of exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator will consider if acceptance of such consideration may be reasonably expected to

benefit the Company.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Administrator specifies from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with any applicable withholding taxes). Full payment may consist of any

consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 15 hereof.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for six (6) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later

than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for six (6) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will continue to vest in accordance with the Award Agreement. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Participant.

(c) Exercise Price and Other Terms. The Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan; provided, however, that (i) the exercise price will be not less than 100% of the Fair Market Value of a Share on the date of grant—, and (ii) except as provided in Section 15 hereof, no Stock Appreciation Right may become exercisable in less than one hundred and eighty (180) days from its date of grant.

(d) Stock Appreciation Rights Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement; provided, however, that the term will be no more than ten (10) years from the date of grant thereof. Notwithstanding the foregoing, the rules of Section 6(d) above also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 8, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

(i) Section 162(m) Performance Restrictions. For purposes of qualifying grants of Restricted Stock as “performance-based compensation” under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Restricted Stock which is intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

9. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. Each Restricted Stock Unit grant will be evidenced by an Award

Agreement that will specify such other terms and conditions as the Administrator, in its sole discretion, will determine, including all terms, conditions, and restrictions related to the grant, the number of Restricted Stock Units and the form of payout, which, subject to Section 9(d) hereof, may be left to the discretion of the Administrator.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant; provided, however, that, except as provided in Section 15 hereof, no Restricted Stock Units may vest in less than one hundred and eighty (180) days from its date of grant. After the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any restrictions for such Restricted Stock Units. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the vesting criteria, and such other terms and conditions as the Administrator, in its sole discretion will determine. The

Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as specified in the Award Agreement.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) set forth in the Award Agreement. The Administrator, in its sole discretion, may pay earned Restricted Stock Units in cash, Shares, or a combination thereof. Shares represented by Restricted Stock Units that are fully paid in cash again will be available for grant under the Plan.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

(f) Section 162(m) Performance Restrictions. For purposes of qualifying grants of Restricted Stock Units as “performance-based compensation” under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Restricted Stock Units which are intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units/Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis determined by the Administrator in its discretion. Each Award of

Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares

in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

(g) Section 162(m) Performance Restrictions. For purposes of qualifying grants of Performance Units/Shares as “performance-based compensation” under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Performance Units/Shares which are intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

11. Performance-Based Compensation Under Code Section 162(m).

(a) General. If the Administrator, in its discretion, decides to grant an Award intended to qualify as “performance-based compensation” under Code Section 162(m), the provisions of this Section 11 will control over any contrary provision in the Plan; provided, however, that the Administrator may in its discretion grant Awards that are not intended to qualify as “performance-based compensation” under Section 162(m) of the Code to such Participants that are based on Performance Goals or other specific criteria or goals but that do not satisfy the requirements of this Section 11.

(b) Performance Goals. The granting and/or vesting of Awards of Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units and other incentives under the Plan may be made subject to the attainment of performance goals relating to one or more business criteria within the meaning of Code Section 162(m) and may provide for a targeted level or levels of achievement (“Performance Goals”) including (i) earnings per Share, (ii) operating cash flow, (iii) operating income, (iv) profit after-tax, (v) profit before-tax, (vi) return on assets, (vii) return on equity, (viii) return on sales, (ix) revenue, and (x) total shareholder return. Any Performance Goals may be used to measure the performance of the Company as a whole or a business unit of the Company and may be measured relative to a peer group or index. The Performance Goals may differ from Participant to Participant and from Award to Award. Prior to the Determination Date, the Administrator will determine whether any significant element(s) will be included in or excluded from the calculation of any Performance Goal with respect to any Participant.

(c) Procedures. To the extent necessary to comply with the performance-based compensation provisions of Code Section 162(m), with respect to any Award granted subject to Performance Goals, within the first twenty-five percent (25%) of the Performance Period, but in no event more than ninety (90) days following the commencement of any Performance Period (or such other time as may be required or permitted by Code Section 162(m)), the Administrator will, in writing, (i) designate one or more Participants to whom an Award will be made, (ii) select the Performance Goals applicable to the Performance Period, (iii) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period, and (iv) specify the relationship between Performance Goals and the amounts of such Awards, as applicable, to be earned by each Participant for such Performance Period. Following the completion of each Performance Period, the Administrator will certify in writing whether the applicable Performance Goals have been achieved for such Performance Period. In determining the amounts earned by a Participant, the Administrator will have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into

account additional factors that the Administrator may deem relevant to the assessment of individual or corporate performance for the Performance Period. A Participant will be eligible to receive payment pursuant to an Award for a Performance Period only if the Performance Goals for such period are achieved.

(d) Additional Limitations. Notwithstanding any other provision of the Plan, any Award which is granted to a Participant and is intended to constitute qualified performance based compensation under Code Section 162(m) will be subject to any additional limitations set forth in the Code (including any amendment to Section 162(m)) or any regulations and ruling issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Section 162(m) of the Code, and the Plan will be deemed amended to the extent necessary to conform to such requirements.

12. Compliance with Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A.

13. Leaves of Absence. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Service Provider will not cease to be an Employee in the case of (i) any leave of absence approved by the Company, or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months and one day following the commencement of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

14. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, (iii) to a revocable trust, or (iii) as permitted by Rule 701 of the Securities Act of 1933, as amended.

15. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits set forth in Sections 3, 6, 7, 8, 9 and 10 hereof.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date

of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines (subject to the provisions of the proceeding paragraph) without a Participant's consent, including, without limitation, that (i) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (the "Successor Corporation") (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (ii) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such merger or Change in Control; (iii) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iv) (A) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this subsection (c), the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly.

In the event that the Participant's services are terminated as a result of an Involuntary Termination during the Change in Control Period, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock will lapse, and, with respect to Restricted Stock Units, Performance Shares and Performance Units, all Performance Goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

In the event that the Successor Corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock will lapse, and, with respect to Restricted Stock Units, Performance Shares and Performance Units, all Performance Goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an Option or

Stock Appreciation Right is not assumed or substituted for in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) or, in the case of a Stock Appreciation Right upon the exercise of which the Administrator determines to pay cash or a Performance Share or Performance Unit which the Administrator can determine to pay in cash, the fair market value of the consideration received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the

holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the Successor Corporation, the Administrator may, with the consent of the Successor Corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Performance Share or Performance Unit, for each Share subject to such Award (or in the case of Performance Units, the number of implied shares determined by dividing the value of the Performance Units by the per share consideration received by holders of Common Stock in the Change in Control), to be solely common stock of the Successor Corporation equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 15(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the Successor Corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption. In the case of an Award providing for the payment of deferred compensation subject to Section 409A of the Code, any payment of such deferred compensation by reason of a Change in Control shall be made only if the Change in Control is one described in subsection (a)(2)(A)(v) of Section 409A and the guidance thereunder and shall be paid consistent with the requirements of Section 409A. If any deferred compensation that would otherwise be payable by reason of a Change in Control cannot be paid by reason of the immediately preceding sentence, it shall be paid as soon as practicable thereafter consistent with the requirements of Section 409A, as determined by the Administrator.

(d) Repricing and Backdating Prohibited. Notwithstanding anything in the Plan to the contrary, and except for the adjustments provided for under Section 15(a), neither the Committee nor any other person may: (i) amend the terms of outstanding Options or Stock Appreciation Rights to reduce the exercise or base price of such outstanding Options or Stock Appreciation Rights; (ii) cancel outstanding Options or Stock Appreciation Rights in exchange for Options or Stock Appreciation Rights with an exercise or base price that is less than the exercise or base price of the original Options or Stock Appreciation Rights; or (iii) cancel outstanding Options or Stock Appreciation Rights with an exercise or base price above the current Fair Market Value of a Share in exchange for cash or other securities, in each case, without prior approval of the Company's stockholders. In addition, the Committee may not make a grant of an Option or Stock Appreciation Right with a grant date that is effective prior to the date the Committee takes action to approve such Award.

16. Tax Withholding.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or

require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum amount required to be withheld, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the amount required to be withheld, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount which the

Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

17. **No Effect on Employment or Service.** Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

18. **Date of Grant.** The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

19. **Term of Plan.** Subject to Section 23 hereof, the Plan will become effective upon its adoption by the Board. It will continue in effect for a term of ten (10) years unless terminated earlier under Section 20 hereof.

20. **Amendment and Termination of the Plan.**

(a) **Amendment and Termination.** The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) **Stockholder Approval.** The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) **Effect of Amendment or Termination.** No amendment, alteration, suspension, or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

21. **Conditions Upon Issuance of Shares.**

(a) **Legal Compliance.** Shares will not be issued pursuant to the exercise of an Award unless

the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Restrictive Legends. All Award Agreements and all securities of the Company issued pursuant thereto shall bear such legends regarding restrictions on transfer and such other legends as the appropriate officer of the Corporation shall determine to be necessary or advisable to comply with applicable securities and other laws.

22. **Inability to Obtain Authority.** The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

23. **Stockholder Approval.** The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws. In the event that stockholder approval is not obtained within twelve (12) months after the date the Plan is adopted by the Board, the Plan and all Awards granted hereunder shall be void ab initio and of no effect. Notwithstanding any other provisions of the Plan, no Awards shall be exercisable until the date of such stockholder approval.

23. **Notification of Election Under Section 83(b) of the Code.** If any Service Provider shall, in connection with the acquisition of Shares under the Plan, make the election permitted under Section 83(b) of the Code, such Service Provider shall notify the Company of such election within ten (10) days of filing notice of the election with the Internal Revenue Service and provide the Company with a copy thereof, in addition to any filing and a notification required pursuant to regulations issued under the authority of Section 83(b) of the Code. A Service Provider shall not be permitted to make a Section 83(b) election with respect to an Award of a Restricted Stock Unit.

24. **Notification Upon Disqualifying Disposition Under Section 421(b) of the Code.** Each Service Provider shall notify the Company of any disposition of Shares issued pursuant to the exercise of an Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), within ten (10) days of such disposition.

25. **Choice of Law.** The Plan and all rules and determinations made and taken pursuant hereto will be governed by the laws of the State of Colorado, to the extent not preempted by federal law, and construed accordingly.

** Adopted by the Board as of ~~February 7, 2020~~ April 22, 2024. **



GROWGENERATION CORP
ATTN: CORPORATE SECRETARY
5619 DTC PARKWAY, SUITE 900
GREENWOOD VILLAGE, CO 80111



VOTE BY INTERNET

Before The Meeting - Go to www.proxyvote.com or scan the QR Barcode above

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 P.M. ET on June 19, 2024. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/GRWG2024

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box below marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 P.M. ET on June 19, 2024. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Votes submitted through the mail must be received prior to June 20, 2024.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

V49346-P10942

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

GROWGENERATION CORP.

The Board of Directors recommends you vote FOR ALL of the following:

For All Withhold All For All Except

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

- 1. Election of Directors

Nominees:

- 01) Darren Lampert 04) Stephen Aiello
- 02) Michael Salaman 05) Starlett Carter
- 03) Eula Adams

The Board of Directors recommends you vote FOR the following proposal:

For Against Abstain

The Board of Directors recommends you vote FOR the following proposal:

For Against Abstain

- 2. To provide an advisory vote to approve the compensation paid to the Company's named executive officers pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Say-on-Pay").

- 4. To approve and ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm to audit the Company's financial statements as of December 31, 2024 and for the fiscal years then ending.

The Board of Directors recommends you vote FOR the following proposal:

For Against Abstain

NOTE: To transact such other business as may properly be brought before the Annual Meeting, and at any adjournments or postponements of the Annual Meeting.

- 3. To approve and ratify the amendment and restatement of the Company's Amended and Restated 2018 Equity Incentive Plan, as set forth in Exhibit A attached to the Proxy Statement.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners) Date

Signature (Joint Owners)

Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Form 10-K are available at www.proxyvote.com.

V49347-P10942

GROWGENERATION CORP.
Annual Meeting of Shareholders
June 20, 2024, Thursday, 4:00 PM (Eastern Daylight Time)
This proxy is solicited by the Board of Directors

The shareholder(s) hereby appoint(s) Darren Lampert, Chief Executive Officer, as proxy with the power to appoint his substitute, and hereby authorize(s) him to represent and to vote, as designated on the reverse side of this ballot, all of the shares of

Common Stock of GROWGENERATION CORP. that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 4:00 PM (Eastern Daylight Time) on June 20, 2024 virtually at www.virtualshareholdermeeting.com/GRWG2024, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side