

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 26, 2019**

AKERNA CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

333-228220

(Commission File Number)

83-2242651

(IRS Employer
Identification No.)

1601 Arapahoe St., Denver, Colorado

(Address of principal executive offices)

80202

(Zip Code)

Registrant's telephone number, including area code: **(888) 932-6537**

Not Applicable

(Former name or former address, if changed since last report)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	KERN	NASDAQ Capital Market
Warrants to purchase one share of Common Stock	KERNW	NASDAQ Capital Market

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Appointment of Nina Simosko

On October 1, 2019, Akerna Corp. (the “Company”) announced that Nina Simosko was appointed as the Company’s Chief Revenue Officer effective as of September 23, 2019.

Prior to joining the Company, Ms. Simosko served as president, chief executive officer, and chief product officer of NTT Innovation Institute Inc. (NTT i3), a Silicon Valley-based innovation center for NTT Group, one of the world’s largest information and communications technology companies. From Feb 2013 through July 2015, Ms. Simosko was responsible at Nike, Inc. for leading the creation and execution of the Nike technology strategy, planning and operations world-wide. Additionally, from February 2013 through February 2015, Ms. Simosko served on the advisory board of Appcelerator. From August 2012 through August 2014, Ms. Simosko served on the advisory board of Taulia, Inc. and from October 2012 through October 2014 served on the advisory board of K2Partnering Solutions. From June 2004 through May 2012, Ms. Simosko was the senior vice president of the Global Premier Customer Network of the SAP America, Inc. (“SAP”). At SAP, she led both the PCN Center of Excellence and SAP’s Global Executive Advisory Board. During her tenure, she was a part of SAP’s Global Ecosystem & Partner Group which was charged with continuing to build and enable an open ecosystem of software, service and technology partners together with SAP’s communities of innovation. Additionally, she served as the global chief operating officer for the worldwide Customer Education organization, responsible for driving more than half a billion euros in global education software and services revenue, as well as the senior vice president of the SAP’s Education Sales. From July 2008 through June 2011, Ms. Simosko served as a director of Reading Partners. From May 2000 through June 2004, Ms. Simosko served as the executive director of Siebel University and Worldwide Maintenance Renewal Sales, where she was responsible for \$100M in annual revenues. From April 1998 through April 2000, Ms. Simosko served as the senior sales and marketing director of Oracle Corporation’s, Oracle Education (Americas Division), where she managed a P&L for a \$13M annual budget. Ms. Simosko currently serves on the advisory board of: since January 2018, Silicon Valley in Your Pocket; since January 2015, AppOrchid; since September 2014, Reflection; since May, DeepSense.ai; and since June, 2019 Scanta, Inc. Ms. Simosko holds a Bachelor of Arts degree from Montclair State University where she graduated cum laude.

There is no arrangement or understanding between Ms. Simosko and any other person pursuant to which she was selected as an officer of the Company. Additionally, there are no family relationships between any director or executive officer of the Company and Ms. Simosko.

The Company and Ms. Simosko entered into a letter agreement, effective as of September 23, 2019 (the “Simosko Letter Agreement”) in connection with Ms. Simosko’s appointment as Chief Revenue Officer. The Simosko Letter Agreement provides for an at-will employment relationship. Ms. Simosko will receive an annual base salary of \$200,000. Ms. Simosko may be eligible for a bonus. On September 23, 2019, Ms. Simosko received a grant of approximate \$1,000,000 of restricted stock units, which will vest as to 25% on the first anniversary of the grant date, as to the next 25% on the second anniversary of the grant date, as to the next 25% on the third anniversary of the grant date and as to the remaining 25% on the fourth anniversary of the grant date. Upon a change of control transaction, Ms. Simosko’s unvested restricted stock units or any other equity interests that she may be granted, will immediately vest. If Ms. Simosko’s employment is terminated by the Company without cause or by her with good reason, she is entitled to her base salary through the date of termination and the immediate vesting of 33% of the restricted stock units that are unvested on the date of termination. Ms. Simosko is entitled to reimbursement of reasonable expense incurred with her relocation to Denver, Colorado, in amount not to exceed \$5,000. Ms. Simosko is entitled to participate in employee benefits.

The Company also entered into an employee covenant agreement with Ms. Simosko (the “Covenant Agreement”), which obligates Ms. Simosko from disclosing any confidential information, including without limitation, trade secrets. The Covenant Agreement also prohibits Ms. Simosko during the term of her employment and for a period of two years after her employment from soliciting any customer, client, employee, supplier or vendor of the Company, and rendering any services or giving advice to any competitor or affiliate of a competitor. The Covenant Agreement also requires Ms. Simosko to return all Company property and disclose all work product to the Company.

Appointment of Ray Thompson

On September 26, 2019, the board of directors of the Company (the “Board”) formally appointed Ray Thompson as the chief operating officer of MJ Freeway, LLC (“MJF”), a wholly-owned subsidiary of the Company.

Prior to the previously announced business combination with MTech Acquisition Corp. and since November 2018, Mr. Thompson has served in the capacity of chief operating officer of MJF. From November 2016 to January 2018, Mr. Thompson worked as the Head of Customer and Sales Operations for Gloop, a people development SaaS company. During that time, he reported to the executive team to develop and execute on market strategies, product offerings, financial projections, and talent management. From October 2008 to October 2016, Mr. Thompson served as Corporate Senior Vice President, managing across all aspects of the business providing enterprise SaaS solutions to federal and state governments and international humanitarian organizations. From 1996 to 2008, Mr. Thompson has served in various executive sales and marketing roles across multiple technologies companies. From November 2016 to January 2018, Mr. Thompson worked as the Head of Customer and Sales Operations for Gloop, a people development SaaS company. During that time, he reported to the executive team to develop and execute on market strategies, product offerings, financial projections, and talent management. From October 2008 to October 2016, Mr. Thompson served as Corporate Senior Vice President, managing across all aspects of the business providing enterprise SaaS solutions to federal and state governments and international humanitarian organizations. From 1996 to 2008, Mr. Thompson has served in various executive sales and marketing roles across multiple technology companies.

There is no arrangement or understanding between Mr. Thompson and any other person pursuant to which he was selected as an officer of the Company. Additionally, there are no family relationships between any director or executive officer of the Company and Mr. Thompson.

Mr. Thompson serves as the Chief operating officer of MJF at-will pursuant to a letter agreement (the “Thompson Letter Agreement”). MJF pays Mr. Thompson an annual base salary of \$200,000. At the Board’s discretion, Mr. Thompson may be eligible for a bonus. As additional compensation for his employment with MJF, Mr. Thompson received 100,000 profit interest units of MJF, which were exchanged for 26,716 shares of the Company’s common stock upon the consummation of the previously announced business combination. Mr. Thompson is entitled to participate in annual equity awards and employee benefits.

The Company also entered into an employee covenant agreement with Mr. Thompson (the “Thompson Covenant Agreement”), which obligates Mr. Thompson from disclosing any confidential information, including without limitation, trade secrets. The Thompson Covenant Agreement also prohibits Mr. Thompson during the term of her employment and for a period of two years after her employment from soliciting any customer, client, employee, supplier or vendor of the Company, and rendering any services or giving advice to any competitor or affiliate of a competitor. The Thompson Covenant Agreement also requires Mr. Thompson to return all Company property and disclose all work product to the Company.

This summary description is qualified in its entirety by reference to the Simosko Letter Agreement, the Thompson Letter Agreement, the Simosko Covenant Agreement, and the Thompson Covenant Agreement, which are filed as Exhibits 10.1, 10.2, 10.3, and 10.4, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On October 1, 2019, the Company issued a press release in which it announced the appointment of Ms. Simosko. A copy of the press release is attached as Exhibit 99.1 and incorporated by reference in to this Item 7.01.

The information set forth in or incorporated by reference into this Item 7.01, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 [Letter Agreement, effective September 23, 2019 by and between Akerna Corp. and Nina Simosko](#)

10.2 [Letter Agreement, effective September 26, 2019, by and between MJ Freeway, LLC and Ray Thompson](#)

10.3 [Covenant Agreement, effective September 23, 2019 by and between Akerna Corp. and Nina Simosko](#)

10.4 [Form of Covenant Agreement, by and between Akerna Corp. and Ray Thompson](#)

99.1 [Press release, dated October 1, 2019](#)

SIGNATURES

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

Dated: October 1, 2019

AKERNA CORP.

By: /s/ Jessica Billingsley

Name: Jessica Billingsley

Title: Chief Executive Officer



September 23, 2019

Dear Nina,

Akema Corp. (the “Company”) is pleased to offer you an at-will employment position in our organization. We are excited about the potential that you bring to our company.

Your job title will be Chief Revenue Officer. You will initially manage the sales and customer success departments. You will report directly to Jessica Billingsley, Chief Executive Officer (“CEO”).

Although subject to change based on management decisions, your tasks will include but are not limited to:

Charter: *Oversee all day-to-day business revenue operations and ensure achievement of goals, all the while developing the organization’s capacity for growth and success over time.*

Priorities:

1. Organizational Alignment. 20%
Establish clear direction and guidance with regard to organizational revenue strategy, priorities, and committed outcomes across all revenue-generating functions of the organization. Ensure all plans, initiatives, and activities are aligned across functional teams, with collaboration and focus. Address and resolve financial and human resource constraints as needed to support overall success.
 2. Operational Performance. 30%
Direct and evaluate overall revenue performance of the organization. Evaluate target vs. actual results for Key Performance Indicators, strategic initiatives, and committed deliverables. Identify meaningful gaps and develop action plans with senior leaders to address any current or potential gaps in performance. Develop transparent organizational reporting.
 3. New Business Growth. 10%
Partner with the CEO to identify and analyze growth potential via new customer segments, new geographies, and new or expanded lines of business. Create targeted growth strategies, and develop and execute on plans to deliver profitable growth. Capitalize on the integration of acquired companies to accelerate profitable growth for the business overall.
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4. Customer Growth. 10%
Work with the Chief Operating Officer to develop customer-specific growth plans. Leverage your reputation to expand solutions sold to customers. Identify opportunities to provide a higher level of service through innovative service models. Maintain relationships between Business Development and Operations teams in support of growth planning and execution.
5. Innovation and Thought Leadership. 10%
Serve as a thought leader for the business, driving innovation based on broad industry trends, technological advances in the industry, evolving customer needs, and solutions that enable the workforce to deliver world-class products and services. Develop mechanisms to share strategic insights and make innovation a sustained priority.
6. Talent Development. 10%
Attract, hire, develop, and retain a world-class, high-performance workforce in support of organizational success. Create people plans for each revenue-generating area of the business with specific strategies to source and retain talent in line with industry best practices and internal priorities. Prioritize the development and advancement of talent across the organization.
7. Marketing and Demand Creation. 5%
Partner with all senior leaders to develop and evolve the Company's brand, positioning, and external communications. Leverage multiple channels to engage the market, prospects, customers, acquisition candidates, and potential employees in support of the organization's strategy and success. Build a pipeline of business and candidates to fuel growth.
8. Growth Planning. 5%
Work with leaders across the organization to anticipate, plan for, and accommodate growth of the business over time. Develop organizational structures that scale and can be adaptive as the needs of the business evolve. Ensure organizational readiness for growth in all areas.

Change in Control

In the event of a Change in Control (as defined below) of the Company, if any of your restricted stock units or other equity interests have not yet vested, then upon consummation of the Change in Control such restricted stock units or other equity interests shall immediately vest. Such vesting is subject to your compliance with the terms and conditions contained herein and with policies and procedures implemented by the Company

The term "Change in Control" means the occurrence of any one or more of the following events (it being agreed that, with respect to paragraphs (A) and (B) of this definition below, a "Change in Control" shall not be deemed to have occurred if the applicable third party acquiring the Company is an "affiliate" of the Company within the meaning of Rule 405 promulgated under the Securities Act of 1933, as amended):

- (A) An acquisition (whether directly from the Company or otherwise) of fifty percent (50%) or more of the Company's then outstanding shares of stock by any "Person" (as that term is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), or more than one Person acting as a group, immediately after which such Person or group has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act).
- (B) Individuals who, as of the effective date of your employment constitute the entire Board of Directors (the "Incumbent Directors") cease for any reason, including without limitation, as a result of a tender

offer, proxy contest, merger or similar transaction, to constitute at least a majority of the entire Board of Directors; *provided* that any individual becoming a director of the Company subsequent to the effective date of your employment shall be considered an Incumbent Director if such person's election or nomination for election was approved by a vote of at least fifty percent (50%) of the Incumbent Directors; but *provided* further, that any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a "Person" (as that term is used for purposes of Section 13(d) or 14(d) of the Exchange Act) other than the Board of Directors, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director.

- (C) Approval by the Board of Directors and, if required, stockholders of the Company, or execution by the Company of any definitive agreement with respect to, or the consummation of (it being understood that the mere execution of a term sheet, memorandum of understanding or other non-binding document shall not constitute a Change in Control):
- (i) A merger, consolidation or reorganization involving the Company, where either or both of the events described in paragraphs (A) and (B) above would be the result;
 - (ii) A liquidation or dissolution of, or appointment of a receiver, rehabilitator, conservator or similar person for, or the filing by a third party of an involuntary bankruptcy against, the Company; or
 - (iii) An agreement for the sale or other disposition of all or substantially all of the assets of the Company to any Person or more than one Person acting as a group (other than a transfer to a subsidiary of the Company).

Compliance with Policies and Procedures

You will also be responsible for compliance with policies and procedures implemented by the Company. Once you begin, you will be provided a copy of our policies and procedures. Since these policies and procedures are subject to change, we recommend you revisit them on a regular basis. Always feel free to speak with your supervisor or human resources if you have any questions.

Compensation

Your initial compensation package includes an annual salary of \$200,000 and an approximate grant of \$1,000,000 of restricted stock units (the "RSUs"), which, subject to continued employment with the Company and the terms of the RSU award letter, will vest as to 25% on the first anniversary of the grant date, as to the next 25% on the second anniversary of the grant date, as to the next 25% on the third anniversary of the grant date and as to the remaining 25% on the fourth anniversary of the grant date. Based upon the goals and objectives agreed to in the performance development planning process with the Board and CEO, you may be eligible for a bonus. The bonus plan will be based on the formula determined by the Company for that year.

You will be entitled to receive, upon appropriate documentation regarding such expenses, a reimbursement of reasonable expenses incurred in connection with your relocation to Denver, Colorado; provided, however, such reimbursement will be limited to \$5,000. You will also receive medical coverage through the Company's employee benefit plan, and parking, and expense reimbursement within guidelines. Your salary and benefits are subject to change. You will be notified of any changes to your compensation or benefits.

Compensation Upon Termination without Cause or for Good Reason

If your employment with the Company is terminated by the Company without Cause (as defined below) or by you with Good Reason (as defined below), you will be entitled to: (i) receive your base salary through the date

of termination (the “Termination Date”); and (ii) the immediate vesting of thirty three percent (33%) of the RSUs that are unvested on the Termination Date.

For purposes of this letter agreement, “Cause” means: (i) a material breach by you of any agreement between you and the Company; (ii) your conviction or plea to, or confession of guilt of, a felony under federal or state law or a crime under federal or state law that involves your fraud or dishonesty; (iii) your fraudulent, dishonest or illegal conduct in the performance of services for or on behalf of the Company or any other conduct that violates the policies of the Company; (iv) your engaging in conduct that is reasonably likely to cause harm to the reputation, business or operations of the Company, as determined by the Board of Directors of the Company in good faith, regardless of whether such conduct is within the scope of your duties; (v) your insubordination, negligence, willful misconduct or failure to comply with directions of the Board of Directors; provided, however, that the Board of Directors has notified you of such acts that constitute a finding of the preceding acts and you have a period of ten (10) days to cure such acts; or (vi) your engagement in any sexual relations with any employee of the Company or any harassment or discrimination of or against the Company’s employees, customers or vendors in violation of Company policies with respect to such conduct.

For purposes of this letter agreement, “Good Reason” means: (i) a material diminution in your duties, responsibilities or compensation (which, for the avoidance of doubt, shall exclude your termination of employment by the Company with Cause); or (ii) a material breach by the Company of this letter agreement, which occurrence in (i) or (ii) above has not been cured within thirty (30) days following the receipt of written notice thereof by the Company from you; provided, however, if such occurrence cannot reasonably be corrected within thirty (30) days of the written notice thereof, the Company must commence correction within such period and diligently pursue such correction to completion within a reasonable period thereafter.

I will send you certain documents, including the Employee Covenant Agreement, for your review and signature via DocuSign. If you have any questions regarding the documents, please do not hesitate to ask. You will be required to sign the documents sent to you prior to your commencement of employment.

We look forward to your arrival at our company and the contributions we hope you will make to our growth. Please let me know if you have any questions or if I can do anything to make your arrival easier.

Sincerely,

Jessica Billingsley
CEO

Accepted by:



Nina Simosko



October 19, 2018

Dear Ray,

MJ Freeway is pleased to offer you an at-will employment position in our organization. We are excited about the potential that you bring to our company.

Your job title will be Chief Operations Officer. You will initially manage Client Services, Onboarding, and Professional Services Departments. You will report directly to Jessica Billingsley, Chief Executive Officer.

Although subject to change based on management decisions, your tasks will include but are not limited to:

Charter: Provide strategic direction and guidance to Operations teams, ensuring high levels of employee satisfaction and compliance in product and service delivery, while ensuring client satisfaction and retention, to position the company for continued profitable growth.

Priorities:

1. Innovation and Thought Leadership.

Serve as a thought leader for the business, driving innovation based on broad industry trends, technological advances in the industry, evolving customer needs, and solutions that enable the workforce to deliver world-class products and services. Develop mechanisms to share strategic insights and make innovation a sustained priority.

2. Operational Excellence.

Ensure operational execution of the business in alignment with industry standards and best practices, while delivering on financial targets essential to meet corporate performance goals. Report on the health of the organization on behalf of the executive leadership team for Key Performance Indicators (KPIs) and priority initiatives achievement.

3. Talent Development, Satisfaction and Culture.

Develop a strategic people plan for Operations to support scale and growth. Partner internally to hire, train, support, empower, recognize and retain a high caliber workforce. Define clear expectations, establish benchmarks for performance, and provide the right tools to support employee success and satisfaction. Act in accordance with and support the evolution of a cohesive corporate culture that supports employee and client satisfaction.

4. Paced Growth and Scale.

Partner with the executive leadership and Business Development teams to identify relevant opportunities for growth in alignment with company direction. Develop strategies, structures, and staffing models to ensure the pace of growth can be assimilated and the organization scales efficiently to meet the demands of the business.

5. Mergers and Acquisitions.

Partner with the executive leadership team to identify and evaluate acquisition candidates. Conduct intensive due diligence and develop a playbook and best practice for integration of acquired entities. Provide program management support of all integration activities, including alignment with former business owners if they integrate into the company's structure.

6. Service Portfolio and Strategy Alignment.

Engage actively with Business Development leaders and staff to rationalize the portfolio of solutions offered by the organization, ensuring they are complementary, align with the corporate brand, fit within the competitive model, and are profitable and sustainable. Expand the portfolio over time to support customer growth and strengthen penetration among existing customers. Monitor mix to drive profitable growth.

7. Internal Backoffice Support.

Empower operational efficiency company-wide through the effective leadership of all internal functional teams.

If you have any questions about your duties and responsibilities, please feel free to speak with your hiring manager or human resources.

You will also be responsible for compliance with policies and procedures implemented by the company. Once you begin, you will be provided a copy of our policies and procedures. Since these policies and procedures are subject to change, we recommend you revisit them on a regular basis. Always feel free to speak with your supervisor or human resources if you have any questions.

Your initial compensation package includes an annual salary of \$200,000, Profit Interest Units grant of 100,000 PIUs, and an additional grant of 100,000 PIUs within 3 months or the public company equivalent of PIUs. Based upon the goals and objectives agreed to in the performance development planning process with the Board and Chief Executive Officer, you may be eligible for a bonus. The bonus plan will be based on the formula determined by the company for that year.

You will also receive medical coverage through our company's employee benefit plan, and parking, and expense reimbursement within guidelines. Your salary and benefits are subject to change. You will be notified of any changes to your compensation or benefits.

I will send you certain documents for your review and signature via DocuSign. If you have any questions regarding the documents, please do not hesitate to ask. You will be required to sign the documents sent to you prior to your commencement of employment.

We look forward to your arrival at our company and the contributions we hope you will make to our growth. Please let me know if you have any questions or if I can do anything to make your arrival easier.

Sincerely,

Niko Nyenhuis
HR Manager

EMPLOYEE COVENANT AGREEMENT

This EMPLOYEE COVENANT AGREEMENT (this "Agreement") is made and entered into as of this day by and between MJ FREEWAY, LLC, a Colorado limited liability Company (MJFreeway, LLC, together with any entity controlled by, controlling, or under common control with, MJ Freeway, LLC, hereinafter referred to as "the Company") and the undersigned employee ("Employee").

RECITALS

A. Employee wishes to be employed by the Company to perform certain services for the Company and its customers.

B The Company has and/or shall be disclosing information concerning the Company and its products, services, customers, clients and other proprietary, confidential and privileged information to Employee.

C. The Company has, and will, invest considerable amounts of time, effort and corporate resources in developing such valuable assets and that use of such information for Employee's personal benefit and gain, or disclosure by Employee of such information to the public, shall cause irreparable harm, damage and loss to the Company.

D. The use or disclosure of such information to third parties by Employee in violation of this Agreement will have a direct, severe and adverse impact on the Company; and, therefore, the Company would not disclose such information to Employee, but for the covenants of Employee set forth herein.

E. Company does not wish to receive, either

physically or the benefit of, any trade secrets or confidential information belonging to any other company or Employee's former employer(s) and Employee agrees to not use or disclose any trade secrets or confidential material Employee may possess from a former employer in providing services to the Company.

NOW THEREFORE, in order to induce the Company to employ Employee or retain Employee in its employ and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Trade Secrets.

a. **Definition of Trade Secrets.** "Trade Secrets" shall mean and include any information relating, in whole or in part, to the business or financial affairs of the Company (whether written, oral, or electronically transmitted, stored, or recorded and whether prepared by the Company or its advisors or otherwise), which is furnished to Employee by or on behalf of the Company or is otherwise learned or acquired by Employee from the Company, whether furnished before or after the date of this Agreement, that is not generally known to or readily ascertainable by other persons or entities. Trade Secrets shall specifically include, but is not limited to: proprietary information, analyses, data, compilations, systems, processes, works of authorship, know-how, improvements, discoveries, developments, designs, techniques, computer programs, and technologies (including computer software), procedures, manuals (published and unpublished), studies, plans, and names and/or lists of customers; information concerning or relating, in whole or in part, to the finances, accounts, services, methods, suppliers, vendors or employees of the Company; and technical and non technical information and materials relating to the Company and the services performed by the Company.

b. **Confidentiality Obligation.** Employee acknowledges that Employee has had and/or may have in the future, access to Trade Secrets. Accordingly, Employee acknowledges and agrees (a) Employee has not and will not, without the prior written approval of an authorized representative of the Company, except in the performance of his or her duties as an employee of the Company, or as specifically directed by an authorized representative of the Company, use or disclose to any person, corporation, firm, partnership or other entity whatsoever (except the Company), or any officer, director, stockholder, partner or associate of any such corporation, firm, partnership or entity, any Trade Secrets; and (b) that Employee has held and shall hold the Trade Secrets in confidence and not copy, publish or disclose to others or remove from the Company's premises or allow any other party to copy, publish or disclose to others or remove from the Company's premises in any form, any Trade Secrets without the prior written approval of an authorized representative of the Company. The obligations and restrictions set forth in this Section 1 shall survive expiration or termination of Employee's employment with the Company for the maximum period allowable by law, including forever. The confidentiality, property, and proprietary rights protections available in this Agreement are in addition to, and not exclusive of, any and all other corporate rights, including those provided under copyright, corporate officer or director fiduciary duties, and trade secret and confidential information laws, including the Defend Trade Secrets Act ("DTSA") and the Colorado Uniform Trade Secret Law.

c. Because the protection of Trade Secrets is of the highest priority for the Company and because the nature of the industry is such that wrongful competition by those that possess Company Trade Secrets would cause damage that would be difficult, if not impossible, to quantify, Employee agrees that during the term of Employee's employment with Company and

for a period of two (2) years following the termination of the Employee's employment with the Company, regardless of how such termination was caused, Employee shall not (i) induce or attempt to induce any customer or client of the Employer to reduce or terminate such customer's or client's business with the Company; (ii) solicit or attempt to induce any of the Company's employees that have knowledge of and have access to Company's Trade Secrets to leave the employment of the Company; (iii) induce or attempt to induce any of the Company's suppliers or vendors to reduce or terminate the business that they do with the Company; or (iv) render services or give advice to, or affiliate with (as employee, partner, consultant, or otherwise) or directly or indirectly own, manage, operate, control, or participate in the ownership, management, operation, or control of, any competitor or any division or business segment of any competitor located in any state or country of any Company client at the time Employee's employment relationship with Company terminated. Employee and Company agree that an entity shall be deemed "competitive" with Company if such company's principal business is of providing technology solutions to medical marijuana-related or recreational marijuana-related businesses or governmental agencies. Both Employee and Company agree that the provisions of this non-compete are reasonable as to geographical and time scope and that the provisions of this restrictive covenant are intended to protect Company's Trade Secrets and are reasonably calculated to protect Company's valuable Trade Secrets and protectable competitive advantages in the marketplace.

d. Employee represents and warrants that Employee shall not and has not used any trade secrets or confidential information belonging to a former employer and/or a competitor in conducting any work on behalf of Company. Employee agrees that no trade secrets or confidential information belonging to a competitor and/or Employee's former employer shall be used for the benefit of Company or in the commission

of Employee's duties for the Company. Employee agrees to indemnify and hold the Company harmless for any and all claims made against the Company for misappropriation of trade secrets or confidential information or for breach of any related agreement made by Employee's former employer related to Employee's employment with Company.

2. Ownership of Intellectual and Other Property.

a. **Return of the Company Property.** After the termination of Employee's employment with the Company, or at any earlier time upon Company's request, for any reason, Employee shall not retain, without the written consent of the Company, and shall promptly deliver to the Company all personal property and the originals and all copies or other forms (whether in electronic form or otherwise) of any magnetic media, papers, files, or other documents and any other property belonging to the Company ("Property"), which Property is in the possession, custody, or control of Employee. All other magnetic media, papers, files, documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by Employee or for Employee, whether or not in the possession, custody, or control of Employee, shall remain the exclusive property of the Company. Moreover, Employee shall not reverse-engineer, re-engineer, decompile or disassemble, or attempt to reverse-engineer, re-engineer, decompile or disassemble, or otherwise tamper in any way with, the Property of the Company. In addition, Employee shall permanently remove all Trade Secrets from any device which may not belong to the Company but which is in Employee's possession or under Employee's control. The Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies otherwise payable to Employee the value of the Company Property which Employee wrongfully retains in his or her possession after such termination. In the event that the law of

any jurisdiction would require the consent of Employee for such deductions, this Agreement shall serve as such consent.

b. **Developments.** “**Development**” means any invention, discovery, improvement, process, development, design, know-how, idea, data, logo, trademark, service mark, or work of authorship (in each case, whether or not patentable or registrable under patent, copyright, trademark, or similar statutes). “**Develop**” means to conceive, create, develop, assemble, reduce to practice, or, in the case of works of authorship, fix in a tangible medium of expression. Attached hereto as Exhibit A is a complete list of all Developments that Employee Developed prior to his or her employment with Company that relate in any way to any of Company’s existing or proposed businesses, products or research and development and to which Employee claims ownership as of the date of this Agreement (each a “**Prior Development**”), and Employee acknowledges and agrees that such list is complete. If no such list is attached to this Agreement, Employee represents that he or she has no Prior Developments.

c. **Works of Authorship.** Employee acknowledges that any works of authorship resulting from services performed by Employee for the Company, whether from services performed prior to or after the date of this Agreement, including any works in progress, constitute works-for-hire and Employee and the Company agree that the Company shall be deemed the sole owner of any and all rights of whatever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner that the Company determines in its sole discretion without any further payment to Employee whatsoever. The term "works of authorship" shall include, but not be limited to, any source codes, object codes and any other information stored in digital format resulting from any work performed by Employee.

d. **Work-Product.** Employee agrees to promptly disclose to the Company in writing the nature of all "Work Product." For purposes of this paragraph, the term "Work Product" shall mean any invention, improvement, know-how, data, design, process, development, logo, trademark, service mark, work of authorship, discovery or idea (whether or not patentable or registrable under patent, copyright, trademark or similar statutes) generated, conceived, created, developed, reduced to practice, or, in the case of works of authorship, fix in a tangible medium of expression, by Employee, alone or in conjunction with others, during the period of time of Employee's employment with the Company, whether during the period prior to or after the date of this Agreement. Any Work Product shall be the exclusive property of the Company and is hereby assigned to the Company.

i. Employee agrees that if, in the course of performing services for the Company, Employee incorporates into any works of authorship or Work Product developed hereunder any invention, improvement, development, concept, discovery of or other proprietary information owned by Employee or in which Employee has an interest, Employee shall notify the Company in advance and obtain the Company's prior written consent, and the Company is hereby granted and shall have a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to make, have made, modify, use and sell such item as part of or in connection with such works of authorship or Work Product. The failure of Employee to so notify the Company in advance of such inclusion shall be conclusive evidence that such Work Product is the Company's and Employee shall have no further rights thereto. Employee agrees that he or she will not, without Company's prior written consent, incorporate into any Work Product any software code licensed under the GNU General Public License, the GNU Lesser General Public License or any other "open source" or other license in a manner that (a) could require,

or could condition the use or distribution of any Work Product on, the disclosure, licensing, or distribution of any source code for any portion of any Work Product, or (b) could otherwise impose any limitation, restriction, or condition on the right or ability of Company to use or distribute any Work Product.

ii. If, for any reason, any of such works of authorship or Work Product shall not legally be a work-for-hire and/or there are any rights which do not accrue to the Company under this Section 2, then Employee hereby irrevocably assigns, and agrees to irrevocably assign, any and all of Employee's rights, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed by Employee while employed by the Company and the Company shall have the right to use the same in perpetuity in any manner that the Company determines without any further payment to Employee whatsoever. Employee shall, from time to time, as may be requested by the Company, do any and all things which the Company may deem useful or desirable to establish or document the Company's exclusive ownership of any and all rights in any such works of authorship or Work Product and proceeds thereof, including, without limitation, sign all documents, do all things, and supply all information that the Company may deem necessary or desirable to (i) transfer or record the transfer of Employee's entire right, title and interest in any works of authorship or Work Product and (ii) enable the Company to obtain patent, copyright or trademark protection for any works of authorship or Work Product anywhere in the world (specifically including the execution and delivery to the Company of appropriate copyright and/or patent applications or assignments). To the extent that Employee has rights in any such works of authorship

or Work Product that cannot be assigned in the manner described above, Employee agrees unconditionally and irrevocably not to enforce any such rights. This Section 2.d is subject to, and shall not be deemed to limit, restrict, or constitute any waiver by the Company of any rights of ownership to which the Company is entitled by operation of law notwithstanding the foregoing.

iii. Employee agrees that all works of authorship and Work Product performed for the Company shall be his or her own and shall not infringe or violate any copyright, trademark, trade secret, patent or other intellectual property right of any third party.

iv. The obligations of this Section 2 shall continue beyond the termination of Employee's employment with the Company, for any reason, with respect to the Company Property, works of authorship and Work Product and shall be binding upon assigns, executors, administrators and other legal representatives of Employee.

3. Costs of Enforcement. In the event a court of competent jurisdiction determines that Employee has breached any of the foregoing covenants contained in this Agreement, Employee shall pay all costs of enforcement of these provisions, including, but not limited to, court costs and reasonable attorney's fees including those costs and fees incurred on appeal.

4. Assignment. This Agreement may not be assigned by Employee. Company may, without Employee's consent, assign this Agreement and Company's rights and obligations under this Agreement in connection with the merger or consolidation of the Company, the sale of all or a portion of its assets, or the sale or transfer of a controlling or majority interest in the Company ownership. If assigned, Employee agrees to execute such other agreements or modifications thereof in such form and substance reasonably satisfactory to the Company which acknowledges

the terms and validity of this Agreement for the Assignee's benefit.

5. **Severability.** If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid or otherwise unenforceable, such provision shall not impair, affect or invalidate the remainder of this Agreement. In such event, Employee consents to the substitution for the unenforceable provision or portion thereof a valid provision that approximates the intent and effect of the unenforceable provision or portion.

6. **Notice.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given (a) when deposited in any United States postal facility, with sufficient postage affixed, for delivery by registered or certified mail, return receipt requested to the address of the intended recipient or (b) when actually received by the intended recipient if delivered by hand delivery, nationwide air courier, telecopy or other form of facsimile transmission. Any such notice to be mailed to the Company at its principal office. Any such notice to be mailed to Employee shall be addressed to such party at such party's last known address appearing in the Company's records. Any party may change the address at which he or it is to receive a notice by giving notice of such change pursuant to the terms hereof.

7. **Entire Agreement.** This Agreement contains the entire agreement among the parties hereto with respect to the employment of Employee and supersedes all prior understanding and agreements, whether written or oral, with respect thereto. The terms and provisions hereof shall inure to and be binding upon the parties hereto as well as their respective personal representatives, heirs, successors and assigns, but only to the extent assignable pursuant to the provisions hereof.

8. Modification or Amendment. This Agreement or any part thereof may be modified or amended, superseded, renewed or extended only by written instrument signed by both the Company and Employee. No delay on the part of either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, and any single or partial exercise of any right, power or privilege hereunder shall not preclude any other further exercise of any other right, power or privilege.

9. Governing Law. This Agreement shall be governed and construed under the laws of the state of Colorado.

10. No Breach of Other Rights or Obligations. Employee represents and warrants that: (a) Employee has all right, power and authority necessary to enter into and perform this Agreement, including without limitation to grant the license described in Section 2(d)(i) above; (b) the performance of the terms of this Agreement does not and will not breach any agreement to which Employee is a party or by which Employee is bound, including without limitation any agreement to keep in confidence or not to use any confidential or proprietary information of any third party (including without limitation any current or prior employer of Employee); and (c) Employee has not and will not use in Employee's employment with Company any non-public materials or documents of a former employer or any other person or entity, unless Employee has obtained express written authorization from such person or entity for their possession and use. Employee agrees to indemnify and hold harmless Company and its officers, directors, employees and agents for any breach of this Section 12.

11. Injunctive Relief. Employee acknowledges that his or her services are, and that the Proprietary Information is, special, unique, and unusual. Employee recognizes that if he or she breaches this Agreement, money damages would not reasonably or adequately compensate Company for any loss caused by such

breach. Accordingly, if Employee breaches this Agreement, he or she recognize and consent to Company's right to seek injunctive relief to force Employee to abide by the terms of this Agreement, without the necessity of posting a bond in seeking such relief. Company also will have the right to recover damages or pursue any other remedy permitted by law if Employee breaches this Agreement.

12. At-Will Employment. Employee agrees and understands that his or her employment is "at-will," meaning that it is not for any specified period of time and can be terminated by Employee or by his or her employer at any time, with or without advance notice, and for any or no particular reason or cause. Employee agrees and understands that it also means that job duties, title and responsibility and reporting level, compensation and benefits, as well as the Company's personnel policies and procedures, may be changed at any time at-will by the Company. Employee understands and agrees that nothing about the fact or the content of this Agreement is intended to, nor should be construed to, alter the at-will nature of Employee's employment.

13. DTSA Notice. Pursuant to the DTSA, MJ Freeway provides this notice Employee has immunity for the confidential disclosure of a trade secret when reporting a suspected violation of law to the government or when making a disclosure in a lawsuit alleging retaliation, provided that such disclosure is made in accordance with the DTSA. Employee will not be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, Employee files a retaliation lawsuit against MJ Freeway for reporting a suspected violation of law, Employee may disclose

the trade secret to his or her attorney and use the trade secret information in the court proceeding, if (i) Employee files a document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order. Employee acknowledges that by virtue of this immunity notice being provided to Employees in this Agreement, MJ Freeway may pursue exemplary damages or attorneys' fees if MJ Freeway brings an action against Employee for disclosure of its trade secrets other than as permitted under the DTSA.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on 9/11/19, 2019

THE COMPANY:

EMPLOYEE

MJ FREEWAT, LLC

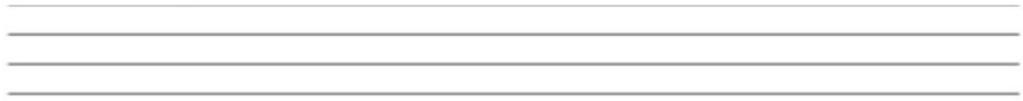
By: _____
_____ 

By:

EXHIBIT A

Prior Developments

No Prior Developments.
 See below:



EMPLOYEE COVENANT AGREEMENT

This EMPLOYEE COVENANT AGREEMENT (this “Agreement”) is made and entered into as of this day _____, by and between MJ FREEWAY, LLC, a Colorado limited liability Company (MJFreeway, LLC, together with any entity controlled by, controlling, or under common control with, MJ Freeway, LLC, hereinafter referred to as “the Company”) and the undersigned employee (“Employee”).

RECITALS

A. Employee wishes to be employed by the Company to perform certain services for the Company and its customers.

B The Company has and/or shall be disclosing information concerning the Company and its products, services, customers, clients and other proprietary, confidential and privileged information to Employee.

C. The Company has, and will, invest considerable amounts of time, effort and corporate resources in developing such valuable assets and that use of such information for Employee’s personal benefit and gain, or disclosure by Employee of such information to the public, shall cause irreparable harm, damage and loss to the Company.

D. The use or disclosure of such information to third parties by Employee in violation of this Agreement will have a direct, severe and adverse impact on the Company; and, therefore, the Company would not disclose such information to Employee, but for the covenants of Employee set forth herein.

E. Company does not wish to receive, either physically or the benefit of, any trade secrets or confidential information belonging to any other company or Employee’s former employer(s) and Employee agrees to not use or disclose any trade secrets or confidential material Employee may possess from a former employer in providing services to the Company.

NOW THEREFORE, in order to induce the Company to employ Employee or retain Employee in its employ and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Trade Secrets.

a. **Definition of Trade Secrets.** “Trade Secrets” shall mean and include any information relating, in whole or in part, to the business or financial affairs of the Company (whether written, oral, or electronically transmitted, stored, or recorded and whether prepared by the Company or its advisors or otherwise), which is furnished to Employee by or on behalf of the Company or is otherwise learned or acquired by Employee from the Company, whether furnished before or after the date of this Agreement, that is not generally known to or readily ascertainable by other persons or entities. Trade Secrets shall specifically include, but is not limited to: proprietary information, analyses, data, compilations, systems, processes, works of authorship, know-how, improvements, discoveries, developments, designs, techniques, computer programs, and technologies (including computer software), procedures, manuals (published and unpublished), studies, plans, and names and/or lists of customers; information concerning or relating, in whole or in part, to the finances, accounts, services, methods, suppliers, vendors or employees of the Company; and technical and non technical information and materials relating to the Company and the services performed by the Company.

b. **Confidentiality Obligation.** Employee acknowledges that Employee has had and/or may have in the future, access to Trade Secrets. Accordingly, Employee acknowledges and agrees (a) Employee has not and will not, without the prior written approval of an authorized representative of the Company, except in the performance of his or her duties as an employee of the Company, or as specifically directed by an authorized representative of the Company, use or disclose to any person, corporation, firm, partnership or other entity whatsoever (except the Company), or any officer, director, stockholder, partner or associate of any such corporation, firm, partnership or entity, any Trade Secrets; and (b) that Employee has held and shall hold the Trade Secrets in confidence and not copy, publish or disclose to others or remove from the Company's premises or allow any other party to copy, publish or disclose to others or remove from the Company's premises in any form, any Trade Secrets without the prior written approval of an authorized representative of the Company. The obligations and restrictions set forth in this Section 1 shall survive expiration or termination of Employee's employment with the Company for the maximum period allowable by law, including forever. The confidentiality, property, and proprietary rights protections available in this Agreement are in addition to, and not exclusive of, any and all other corporate rights, including those provided under copyright, corporate officer or director fiduciary duties, and trade secret and confidential information laws, including the Defend Trade Secrets Act ("DTSA") and the Colorado Uniform Trade Secret Law.

c. Because the protection of Trade Secrets is of the highest priority for the Company and because the nature of the industry is such that wrongful competition by those that possess Company Trade Secrets would cause damage that would be difficult, if not impossible, to quantify, Employee agrees that during the term of Employee's employment with Company and for a period of two (2) years following the termination of the Employee's employment with the Company, regardless of how such termination was caused, Employee shall not (i) induce or attempt to induce any customer or client of the Employer to reduce or terminate such customer's or client's business with the Company; (ii) solicit or attempt to induce any of the Company's employees that have knowledge of and have access to Company's Trade Secrets to leave the employment of the Company; (iii) induce or attempt to induce any of the Company's suppliers or vendors to reduce or terminate the business that they do with the Company; or (iv) render services or give advice to, or affiliate with (as employee, partner, consultant, or otherwise) or directly or indirectly own, manage, operate, control, or participate in the ownership, management, operation, or control of, any competitor or any division or business segment of any competitor located in any state or country of any Company client at the time Employee's employment relationship with Company terminated. Employee and Company agree that an entity shall be deemed "competitive" with Company if a material part of its activities consist providing technological platforms and related resources for business and/or governmental operations and compliance, especially for medical or recreational marijuana-related businesses and/or governmental agencies, or that consults marijuana-related businesses and governmental entities on business operations and compliance, both pre-and-post licensure from seed to sale. Both Employee and Company agree that the provisions of this non-compete are reasonable as to geographical and time scope and that the provisions of this restrictive covenant are intended to protect Company's Trade Secrets and are reasonably calculated to protect Company's valuable Trade Secrets and protectable competitive advantages in the marketplace.

d. Employee represents and warrants that Employee shall not and has not used any trade secrets or confidential information belonging to a former employer and/or a competitor in conducting any work on behalf of Company. Employee agrees that no trade secrets or confidential information belonging to a competitor and/or Employee's former employer shall be used for the benefit of Company or in the commission of Employee's duties for the Company. Employee agrees to indemnify and hold the Company harmless for any and all claims made against the Company for misappropriation of trade secrets or confidential information or for breach of any related agreement made by Employee's former employer related to Employee's employment with Company.

2. **Ownership of Intellectual and Other Property.**

a. **Return of the Company Property.** After the termination of Employee's employment with the Company, or at any earlier time upon Company's request, for any reason, Employee shall not retain, without the written consent of the Company, and shall promptly deliver to the Company all personal property and the originals and all copies or other forms (whether in electronic form or otherwise) of any magnetic media, papers, files, or other documents and any other property belonging to the Company ("Property"), which Property is in the possession, custody, or control of Employee. All other magnetic media, papers, files, documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by Employee or for Employee, whether or not in the possession, custody, or control of Employee, shall remain the exclusive property of the Company. Moreover, Employee shall not reverse-engineer, re-engineer, decompile or disassemble, or attempt to reverse-engineer, re-engineer, decompile or disassemble, or otherwise tamper in any way with, the Property of the Company. In addition, Employee shall permanently remove all Trade Secrets from any device which may not belong to the Company but which is in Employee's possession or under Employee's control. The Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies otherwise payable to Employee the value of the Company Property which Employee wrongfully retains in his or her possession after such termination. In the event that the law of any jurisdiction would require the consent of Employee for such deductions, this Agreement shall serve as such consent.

b. **Developments.** "**Development**" means any invention, discovery, improvement, process, development, design, know-how, idea, data, logo, trademark, service mark, or work of authorship (in each case, whether or not patentable or registrable under patent, copyright, trademark, or similar statutes). "**Develop**" means to conceive, create, develop, assemble, reduce to practice, or, in the case of works of authorship, fix in a tangible medium of expression. Attached hereto as **Exhibit A** is a complete list of all Developments that Employee Developed prior to his or her employment with Company that relate in any way to any of Company's existing or proposed businesses, products or research and development and to which Employee claims ownership as of the date of this Agreement (each a "**Prior Development**"), and Employee acknowledges and agrees that such list is complete. If no such list is attached to this Agreement, Employee represents that he or she has no Prior Developments.

c. **Works of Authorship.** Employee acknowledges that any works of authorship resulting from services performed by Employee for the Company, whether from services performed prior to or after the date of this Agreement, including any works in progress, constitute works-for-hire and Employee and the Company agree that the Company shall be deemed the sole owner of any and all rights of whatever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner that the Company determines in its sole discretion without any further payment to Employee whatsoever. The term "works of authorship" shall include, but not be limited to, any source codes, object codes and any other information stored in digital format resulting from any work performed by Employee.

d. **Work-Product.** Employee agrees to promptly disclose to the Company in writing the nature of all “Work Product.” For purposes of this paragraph, the term “Work Product” shall mean any invention, improvement, know-how, data, design, process, development, logo, trademark, service mark, work of authorship, discovery or idea (whether or not patentable or registrable under patent, copyright, trademark or similar statutes) generated, conceived, created, developed, reduced to practice, or, in the case of works of authorship, fix in a tangible medium of expression, by Employee, alone or in conjunction with others, during the period of time of Employee’s employment with the Company, whether during the period prior to or after the date of this Agreement. Any Work Product shall be the exclusive property of the Company and is hereby assigned to the Company.

i. Employee agrees that if, in the course of performing services for the Company, Employee incorporates into any works of authorship or Work Product developed hereunder any invention, improvement, development, concept, discovery of or other proprietary information owned by Employee or in which Employee has an interest, Employee shall notify the Company in advance and obtain the Company’s prior written consent, and the Company is hereby granted and shall have a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to make, have made, modify, use and sell such item as part of or in connection with such works of authorship or Work Product. The failure of Employee to so notify the Company in advance of such inclusion shall be conclusive evidence that such Work Product is the Company’s and Employee shall have no further rights thereto. Employee agrees that he or she will not, without Company’s prior written consent, incorporate into any Work Product any software code licensed under the GNU General Public License, the GNU Lesser General Public License or any other “open source” or other license in a manner that (a) could require, or could condition the use or distribution of any Work Product on, the disclosure, licensing, or distribution of any source code for any portion of any Work Product, or (b) could otherwise impose any limitation, restriction, or condition on the right or ability of Company to use or distribute any Work Product.

ii. If, for any reason, any of such works of authorship or Work Product shall not legally be a work-for-hire and/or there are any rights which do not accrue to the Company under this Section 2, then Employee hereby irrevocably assigns, and agrees to irrevocably assign, any and all of Employee’s rights, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed by Employee while employed by the Company and the Company shall have the right to use the same in perpetuity in any manner that the Company determines without any further payment to Employee whatsoever. Employee shall, from time to time, as may be requested by the Company, do any and all things which the Company may deem useful or desirable to establish or document the Company’s exclusive ownership of any and all rights in any such works of authorship or Work Product and proceeds thereof, including, without limitation, sign all documents, do all things, and supply all information that the Company may deem necessary or desirable to (i) transfer or record the transfer of Employee’s entire right, title and interest in any works of authorship or Work Product and (ii) enable the Company to obtain patent, copyright or trademark protection for any works of authorship or Work Product anywhere in the world (specifically including the execution and delivery to the Company of appropriate copyright and/or patent applications or assignments). To the extent that Employee has rights in any such works of authorship or Work Product that cannot be assigned in the manner described above, Employee agrees unconditionally and irrevocably not to enforce any such rights. This Section 2.d is subject to, and shall not be deemed to limit, restrict, or constitute any waiver by the Company of any rights of ownership to which the Company is entitled by operation of law notwithstanding the foregoing.

iii. Employee agrees that all works of authorship and Work Product performed for the Company shall be his or her own and shall not infringe or violate any copyright, trademark, trade secret, patent or other intellectual property right of any third party.

iv. The obligations of this Section 2 shall continue beyond the termination of Employee's employment with the Company, for any reason, with respect to the Company Property, works of authorship and Work Product and shall be binding upon assigns, executors, administrators and other legal representatives of Employee.

3. **Costs of Enforcement.** In the event a court of competent jurisdiction determines that Employee has breached any of the foregoing covenants contained in this Agreement, Employee shall pay all costs of enforcement of these provisions, including, but not limited to, court costs and reasonable attorney's fees including those costs and fees incurred on appeal.
4. **Assignment.** This Agreement may not be assigned by Employee. Company may, without Employee's consent, assign this Agreement and Company's rights and obligations under this Agreement in connection with the merger or consolidation of the Company, the sale of all or a portion of its assets, or the sale or transfer of a controlling or majority interest in the Company ownership. If assigned, Employee agrees to execute such other agreements or modifications thereof in such form and substance reasonably satisfactory to the Company which acknowledges the terms and validity of this Agreement for the Assignee's benefit.
5. **Severability.** If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid or otherwise unenforceable, such provision shall not impair, affect or invalidate the remainder of this Agreement. In such event, Employee consents to the substitution for the unenforceable provision or portion thereof a valid provision that approximates the intent and effect of the unenforceable provision or portion.
6. **Notice.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given (a) when deposited in any United States postal facility, with sufficient postage affixed, for delivery by registered or certified mail, return receipt requested to the address of the intended recipient or (b) when actually received by the intended recipient if delivered by hand delivery, nationwide air courier, telecopy or other form of facsimile transmission. Any such notice to be mailed to the Company at its principal office. Any such notice to be mailed to Employee shall be addressed to such party at such party's last known address appearing in the Company's records. Any party may change the address at which he or it is to receive a notice by giving notice of such change pursuant to the terms hereof.
7. **Entire Agreement.** This Agreement contains the entire agreement among the parties hereto with respect to the employment of Employee and supersedes all prior understanding and agreements, whether written or oral, with respect thereto. The terms and provisions hereof shall inure to and be binding upon the parties hereto as well as their respective personal representatives, heirs, successors and assigns, but only to the extent assignable pursuant to the provisions hereof.

8. **Modification or Amendment.** This Agreement or any part thereof may be modified or amended, superseded, renewed or extended only by written instrument signed by both the Company and Employee. No delay on the part of either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, and any single or partial exercise of any right, power or privilege hereunder shall not preclude any other further exercise of any other right, power or privilege.
9. **Governing Law.** This Agreement shall be governed and construed under the laws of the state of Colorado.
10. **No Breach of Other Rights or Obligations.** Employee represents and warrants that: (a) Employee has all right, power and authority necessary to enter into and perform this Agreement, including without limitation to grant the license described in Section 2(d)(i) above; (b) the performance of the terms of this Agreement does not and will not breach any agreement to which Employee is a party or by which Employee is bound, including without limitation any agreement to keep in confidence or not to use any confidential or proprietary information of any third party (including without limitation any current or prior employer of Employee); and (c) Employee has not and will not use in Employee's employment with Company any non-public materials or documents of a former employer or any other person or entity, unless Employee has obtained express written authorization from such person or entity for their possession and use. Employee agrees to indemnify and hold harmless Company and its officers, directors, employees and agents for any breach of this Section 12.
11. **Injunctive Relief.** Employee acknowledges that his or her services are, and that the Proprietary Information is, special, unique, and unusual. Employee recognizes that if he or she breaches this Agreement, money damages would not reasonably or adequately compensate Company for any loss caused by such breach. Accordingly, if Employee breaches this Agreement, he or she recognize and consent to Company's right to seek injunctive relief to force Employee to abide by the terms of this Agreement, without the necessity of posting a bond in seeking such relief. Company also will have the right to recover damages or pursue any other remedy permitted by law if Employee breaches this Agreement.
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13. **DTSA Notice.** Pursuant to the DTSA, MJ Freeway provides this notice Employee has immunity for the confidential disclosure of a trade secret when reporting a suspected violation of law to the government or when making a disclosure in a lawsuit alleging retaliation, provided that such disclosure is made in accordance with the DTSA. Employee will not be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

In addition, Employee files a retaliation lawsuit against MJ Freeway for reporting a suspected violation of law, Employee may disclose the trade secret to his or her attorney and use the trade secret information in the court proceeding, if (i) Employee files a document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order. Employee acknowledges that by virtue of this immunity notice being provided to Employees in this Agreement, MJ Freeway may pursue exemplary damages or attorneys' fees if MJ Freeway brings an action against Employee for disclosure of its trade secrets other than as permitted under the DTSA.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on _____, 2019

THE COMPANY:

EMPLOYEE

MJ FREEWAT, LLC

By: _____

By: _____

Akerna Expands Leadership Team with Appointment of Chief Revenue Officer

Nina Simosko brings enterprise SaaS experience from NTT, SAP and Nike Technology to drive accelerated Akerna growth

DENVER — October 1, 2019— Akerna Corp. (Nasdaq: KERN), a leading cannabis compliance technology provider and developer of the cannabis industry’s first seed-to-sale enterprise resource planning (ERP) software technology (MJ Platform®), announced today the appointment of Nina Simosko to the new role of Chief Revenue Officer (CRO). As CRO of Akerna, Nina will oversee all revenue generation and build strategies to drive revenue growth in the following areas:

- Grow MJ Platform revenues across the U.S. and global cannabis and hemp markets
- Increase enterprise clients, increasing average revenue per client
- Form partnerships that bring additional value to products
- Pursue targeted accretive acquisitions

The company reaffirms revenue projections for fiscal year 2020 of approximately \$17 million as published in October 2018 (the projection does not include impact of any potential acquisitions). “With ambitious growth goals this year, Nina is just the right revenue leader for Akerna thanks to her deep track record of driving enterprise SaaS growth,” stated Akerna CEO Jessica Billingsley. “I know she’ll be an invaluable leader to the team and a powerful partner to the C-Suite.”

Prior to joining Akerna, Nina served as President and CEO of NTT Innovation Institute Inc. (NTT i3), the Silicon Valley-based innovation center for NTT Group, one of the world’s largest information and communications technology companies. Under her leadership, NTT i3 focused on fostering strategic innovation and evolving partners into technology-first, digitally-driven businesses. NTT i3 also partnered with early stage, digitally-native businesses looking to expand their presence.

“The cannabis market’s speed of scale, growth and change is only surpassed by technology,” commented Nina. “In this unique environment, Jessica and her team have driven innovation that created the new sector of cannabis technology. As a fellow innovator, I look forward to bringing my experiences and insights to Akerna and helping to further propel growth.”

Nina’s experience also includes Senior Vice President of SAP’s Global Premier Customer Network (PCN), leading both the PCN Center of Excellence and SAP’s Global Executive Advisory Board. During her eight-year tenure at SAP, Nina was part of the Global Ecosystem & Partner Group, which was charged with continuing to build and enable an open ecosystem of software, service and technology partners together with SAP’s communities of innovation. Additionally, she served as the Global Chief Operating Officer for SAP’s worldwide Customer Education organization, responsible for driving more than half a billion euros in global education software and services revenue. In addition, at Nike, Nina led the creation and execution of Nike Technology strategy, planning and operations world-wide. Currently, Nina serves on the advisory boards of a few early-to-mid stage technology companies including: AppOrchid, DeepSense.ai, Reflektion, and Scanta Inc.

“Nina’s proven track record of success, depth of expertise and scale of operations experience clearly affirms she possesses the right combination of Silicon Valley skills to drive Akerna’s revenue generation. As a member of Akerna’s Board of Directors, I look forward to collaborating with her,” stated Mark D. Iwanowski, Founder, CEO and President of Global Visions-SV, Inc. and former Oracle CIO.

About Akerna Corp.

Akerna (Nasdaq: KERN) is a regulatory compliance technology company in the cannabis space. The cornerstones of Akerna's service offerings are MJ Platform® and Leaf Data Systems®, which are highly-versatile platforms that provide clients and government entities with a central data management system for tracking regulated cannabis products—from seed to product to shelf to customer—through the complete supply chain. Since establishment in 2010, the company has tracked approximately \$16 billion in cannabis sales across 14 countries and has served clients in 29 states across the U.S. As part of its business strategy, Akerna intends to grow through targeted, strategic acquisitions that are complementary to its current business and organically by accelerating its product development efforts. Akerna is based in Denver. More information is available online at www.akerna.com.

Forward-Looking Statements

Certain statements made in this release and in any accompanying statements by management are “forward looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words “estimates,” “projected,” “expects,” “anticipates,” “forecasts,” “plans,” “intends,” “believes,” “seeks,” “may,” “will,” “should,” “future,” “propose” and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of significant known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Akerna's control, that could cause actual results or outcomes (including, without limitation, the results of Akerna's contracts, strategic initiatives and business plans as described herein) to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include (i) Akerna's ability to recognize the anticipated benefits of being a public company, (ii) competition, (iii) Akerna's ability to grow and manage growth profitably, (iv) Akerna's ability to maintain relationships with customers and suppliers and retain its management and key employees, (v) costs related to being a public company, (vi) changes in applicable laws or regulations, (vii) Akerna's ability to identify and integrate acquisitions and achieve expected synergies and operating efficiencies in connection with acquired businesses, (viii) and other risks and uncertainties disclosed from time to time in Akerna's filings with the U.S. Securities and Exchange Commission, including those under “Risk Factors” therein. Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those vary from forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance as projected financial and other information, are based on estimates and assumptions that are inherently subject to various significant risks, uncertainties and other factors, many of which are beyond Akerna's control. All information herein speaks only as of the date hereof, in the case of information about Akerna, or the date of such information, in the case of information from persons other than Akerna. Akerna undertakes no duty to update or revise the information contained herein. Forecasts and estimates regarding Akerna's industry and end markets are based on sources believed to be reliable, however there can be no assurance these forecasts and estimates will prove accurate in whole or in part.

This press release contains information with respect to the Company's revenue for fiscal 2020. These unaudited financial projections have been provided by the Company's management and the Company's auditors have not audited, reviewed, compiled or performed any procedures with respect to the unaudited projections for purposes of inclusion in this press release and, accordingly, do not express any opinion or provide any other form of assurances for purposes of this press release. These unaudited financial projections should not be relied upon as being necessarily indicative of future results. The inclusion of the unaudited financial projection in this press release is not an admission or representation by the Company that such information is material. The estimates and assumptions underlying the unaudited financial are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the unaudited financial projection. There can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the unaudited financial projection.

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