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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 6, 2025**

KNOW LABS

KNOW LABS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**001-37479**	**90-0273142**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

619 Western Avenue, Suite 610, Seattle, Washington	**98104**
(Address of principal executive offices)	(Zip Code)

(206) 903-1351
(Registrant's telephone number, including area code)

(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:

☐ 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 $0.001	KNW	NYSE American LLC

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

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 1.01 Entry into a Material Definitive Agreement

Purchase Agreement

As previously reported in the Current Report on Form 8-K dated June 6, 2025, Know Labs, Inc., a Nevada corporation (the "Company") entered into a Securities Purchase Agreement, dated June 5, 2025 (the "Purchase Agreement"), with Goldeneye 1995 LLC, a Nevada limited liability company (the "Buyer"), in connection with a private placement (the "Private Placement"). On August 6, 2025 (the "Closing Date"), the closing of the Private Placement occurred in accordance with the terms of the Purchase Agreement and the Company issued approximately 357.8 million shares (the "Shares") of its common stock, par value $0.001 per share (the "Common Stock") to the Buyer, at a per Share purchase price of $0.335 in exchange for aggregate purchase price for the Shares of: (i) 1,000 Bitcoin, and (ii) $15 million in cash (together the "Purchase Price").

At its special stockholders meeting held on July 31, 2025, the Company's stockholders approved: (i) the issuance of the Shares, and the change of control of the Company resulting therefrom, (ii) an amendment to the Company's certificate of incorporation (the "Charter Amendment") to increase the number of authorized shares of Common Stock from 7,500,000 to 750,000,000, and (iii) an amendment to the Company's 2021 Equity Incentive Plan (the "2021 Plan") to increase the number of shares of Common Stock authorized for issuance under the 2021 Plan by 48,950,000 shares (the "Company Charter Amendment"), (collectively, the "Company Stockholder Approval").

The closing of the Private Placement was subject upon a number of closing conditions, all of which were satisfied as of the Closing Date, including, among other things, (i) obtaining the Company Stockholder Approval, (ii) the Company's holders of shares of Series C Convertible Preferred Stock, par value $0.001 per share (the "Series C Preferred Stock") and Series D Convertible Preferred Stock, par value $0.001 per share (the "Series D Preferred Stock") converting all shares of Series C Preferred Stock and Series D Preferred Stock into the Common Stock, (iii) the Company's holder of the Company's Series H Convertible Preferred Stock, par value $0.001 per share (the "Series H Preferred Stock") electing that the Company redeem the Series H Preferred Stock, (iv) the filing of the Charter Amendment, (v) the termination of the agreements listed under Item 1.02 below, and (vi) the approval of the NYSE Supplemental Listing Application with respect to the Shares issued in the Private Placement.

In connection with the Closing, the board of directors approved the change in the name of the Company to USBC, Inc. and the change in trading symbol of the Company to "USBC" on the New York Stock Exchange American LLC ("NYSE"), to align with the Company's strategic transition into a multi-disciplinary enterprise following closing. Effective on the Closing Date, the Company qualifies as a "controlled company" within the meaning of Section 801 of the Company Guide of NYSE.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by the terms and conditions of the Purchase Agreement, a copy of which was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 6, 2025, and is incorporated herein by reference.

Asset Manager Agreement

On August 6, 2025, the Company entered into a Digital Asset Management Agreement (the "Asset Management Agreement") with Hyrcanian Asset Management, LLC (the "Manager"). Under the Asset Management Agreement, the Manager has been appointed to provide discretionary investment management services with respect to the Company's Bitcoin treasury strategy (the "Account Assets").

As consideration for the Manager's services, the Company will pay (i) an asset-based management fee equal to 1% per annum of the Account Assets' market value, calculated on the last day of each calendar quarter, prorated and billed quarterly in advance, and (ii) an annual performance fee equal to 25% of the net realized gains and periodic mark-to-market changes generated by the options strategy the Company will employ, each payable in Bitcoin. The Asset Management Agreement continues in effect until terminated by either party upon thirty (30) days' prior written notice; however, the Company may cancel the Agreement within the first five (5) business days after execution without penalty. The Agreement contains customary representations, indemnification provisions (excluding coverage for either party's gross negligence, willful misconduct, or fraud), confidentiality obligations, and a non-exclusivity clause permitting the Manager to serve other clients. The Manager represents that is exempt from registration under the Investment Advisers Act of 1940 and the Commodity Exchange Act.

The foregoing description of the Asset Management Agreement does not purport to be complete and is qualified in its entirety by the terms and conditions of the Asset Management Agreement, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement

On the Closing Date, in connection with the consummation of the transactions contemplated under the Purchase Agreement, the Company terminated the following agreements, as each agreement may be amended, restated, supplemented, refinanced, replaced or otherwise modified from time to time, and all commitments and obligations under each agreement, other than certain continuing indemnity obligations, were repaid, satisfied and discharged in full.

Lind Promissory Note

The Senior Convertible Promissory Note, dated February 27, 2024, by and between the Company and Lind Global Fund II LP ("Lind") and all related documents, was terminated on the Closing Date upon the Company's repayment in full of $2,354,625 inclusive of all prepayment penalties in cash.

Struve Loan Documents

The 10% Convertible Redeemable Note, dated September 30, 2016, by and between the Company and Clayton A. Struve ("Struve") and all related documents (collectively, the "2016 Struve Note"), was terminated on the Closing Date upon the Company's repayment in full of $75,000 in cash. The interest payable on the 2016 Struve Note was repaid with the issuance of 322,245 shares of Common Stock. In addition, the Senior Secured Convertible Redeemable Debenture, dated August 14, 2017, by and between the Company and Struve and all related documents (collectively, the "August 2017 Struve Debenture"), the Senior Secured Convertible Redeemable Debenture, dated December 12, 2017, by and between the Company and Struve and all related documents (collectively, the "December 2017 Struve Debenture") and the Senior Secured Convertible Redeemable Debenture, dated February 28, 2018, by and between the Company and Struve and all related documents (collectively, the "2018 Struve Debenture" and collectively with the 2016 Struve Note, the August 2017 Struve Debenture and the December 2017 Struve Debenture, the "Struve Loan Documents"), were each terminated on the Closing Date upon the Company's repayments in full with the issuance of an aggregate of 2,973,134 shares of Common Stock.

Item 3.02 Unregistered Sales of Equity Securities

The information with respect to the Purchase Agreement contained in Item 1.01 is incorporated herein by reference. As described in Item 1.01, in accordance with the terms of the Purchase Agreement, the Company issued the Shares to the Buyer on the Closing Date.

In connection with the Private Placement, J.V.B Financial Group, LLC (the "Banker"), acting through its Cohen & Company Capital Markets division, acted as Buyer's exclusive financial advisor and is entitled to receive a transaction fee in connection with the closing of the Private Placement. The Buyer agreed to pay such fee by issuing to the Banker at closing shares of Common Stock equal to 1% of the post-Closing Company Common Stock and accordingly the Company issued 3,909,549 shares of the Company's Common Stock to the Banker on the Closing Date.

The information with respect to the Struve Loan Documents contained in Item 1.02 is incorporated herein by reference. As described in Item 1.02, the Company has issued an aggregate of 3,295,379 shares of Common Stock in connection with the repayment of the Struve Loan Documents.

The information with respect to the Series C Preferred Stock, Series D Preferred Stock and Series H Preferred Stock contained in Item 8.01 is incorporated herein by reference. As described in Item 8.01, concurrently with the closing of the Private Placement, the Company's current holders of shares of Series C Preferred Stock and Series D Preferred Stock, converted all outstanding shares of Series C Preferred Stock and Series D Preferred Stock, and all deemed dividends, into an aggregate of 8,333,440 shares of Common Stock, respectively. In addition, the holder of the Series H Preferred Stock elected to redeem all outstanding shares of Series H Preferred Stock in a combination of cash and Common Stock, resulting in the issuance of 2,000,000 shares of Common Stock as the Series H Redemption Shares.

The above issuances and sales are exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) thereof.

Item 5.01 Change in Control of Registrant

The information contained in Item 1.01 is incorporated herein by reference.

On the Closing Date, as a result of the completion of the Private Placement and the issuance of the Shares, the Buyer acquired approximately 81% of the issued and outstanding shares of Common Stock of the Company, on a fully diluted basis, in exchange for the Purchase Price, resulting in a change in control of the Company. The Buyer is solely owned and managed by Robert Gregory Kidd, who was appointed Chief Executive Officer, President and Chairman on the Closing Date.

In connection with the closing of the Private Placement, Ronald P. Erickson resigned from his position as Chief Executive Officer and Chairman and transitioned to President of the Science Division, Senior Vice President of the Company. Mr. Erickson remains on the board of directors as the Lead Director. In addition, Peter J. Conley, pursuant to the terms of his employment agreement with the Company, as amended, ceased his employment with the Company effective on the Closing Date. Additionally, Kitty Payne was appointed as Chief Financial Officer, Kirk Chapman was appointed as Chief Operating Officer and Linda Jenkinson was appointed to the board of directors as Vice Chair.

As required to be disclosed by Regulation S-K Item 403(c), there are no arrangements known to the Company, including any pledge by any person of securities of the Company or any of its parents, the operation of which may at a subsequent date result in a change in control of the Company.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

Resignation and Termination of Officers

Ronald P. Erickson

Effective on the Closing Date, Mr. Erickson transitioned from his prior role as Chief Executive Officer to President of the Science Division of the Company, Senior Vice President of the Company. In connection with his transition, Mr. Erickson and the Company entered into a new employment agreement (the "New Erickson Employment Agreement"), which superseded and replaced his prior employment agreement with the Company dated March 22, 2018, as amended.

The New Erickson Employment Agreement provides that Mr. Erickson will serve as President of the Science Division, Senior Vice President of the Company for an annual base salary of $375,000. Mr. Erickson will be eligible to receive (i) an annual discretionary bonus from time to time, subject to approval of the board of directors or the compensation committee, and (ii) grants of other equity awards that may be granted from time to time. Mr. Erickson will also be entitled to participate in all group employment benefits that are offered by the Company from time to time, subject to the terms and conditions of such benefit plans, including any eligibility requirements. Mr. Erickson's employment under the New Erickson Employment Agreement is at will, meaning either the Company or Mr. Erickson may terminate the employment relationship at any time, with or without cause, upon written notice to the other party. Upon a termination of employment by the Company without "cause" or by Mr. Erickson with "good reason", subject to Mr. Erickson's execution, delivery, and non-revocation of a general release of claims against the Company, he will be eligible to receive (i) cash severance equal to 12 months base salary, less applicable withholdings and deductions, over the 12-month period following the date of termination, (ii) any earned annual bonus for the fiscal year of termination, and (iii) reimbursement for COBRA premiums paid by Mr. Erickson and his dependents for the 12-month period following the date of termination. The New Erickson Employment Agreement also includes other customary terms, including an indefinite confidentiality obligation, a non-competition covenant during employment and for 12 months post-termination, a non-solicitation covenant with respect to Company personnel and business partners during employment and for 12 months post-termination, assignment of intellectual property, and indefinite non-disparagement obligations.

Effective on the Closing Date, in lieu of that certain grant of 335,000 shares of Common Stock approved by the Board on June 4, 2025 that was contingent upon the Company Stockholder Approval, Mr. Erickson was awarded 335,000 shares of Common Stock, 50% of which is fully vested upon grant and the remainder of which (the "restricted shares") will vest, subject to Mr. Erickson's continued employment through each vesting date, in 8 quarterly installments with the first two installments vesting six months after the Closing Date. The restricted shares vest in full in the event of a sale of all or substantially all of the Company's sensor related intellectual property or an involuntary termination of Mr. Erickson's employment. The restricted shares were issued pursuant to the Form of RSA Agreement attached as Exhibit 10.8 to this Current Report on Form 8-K and is incorporated by reference herein.

Peter J. Conley

Effective as of the Closing Date, Mr. Conley's employment with the Company automatically terminated upon the consummation of the Private Placement. Pursuant to his employment agreement with the Company, dated May 20, 2022, as amended, in exchange for Mr. Conley's execution and delivery of a Separation and General Release Agreement in favor of the Company (the "Conley Separation Agreement"), the Company provided severance to Mr. Conley in an amount equal to 12 months of his annual base salary of $400,000, less applicable withholdings and deductions in exchange for a general release of claims against the Company and other customary covenants, including, among others, confidentiality, non-disparagement and cooperation provisions. Mr. Conley's equity awards will be treated in accordance with the existing terms and conditions of each applicable award agreement.

The foregoing description of the Conley Separation Agreement is not complete and is subject to the full text of the Conley Separation Agreement, a copy of which is included as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference herein.

Appointment of Officers

As described above, on the Closing Date, the Company appointed Mr. Kidd as Chief Executive Officer, Kitty Payne as Chief Financial Officer and Kirk Chapman as Chief Operating Officer, each a USBC founding team member.

Robert Gregory Kidd, Chief Executive Officer; Kitty Payne, Chief Financial Officer; and Kirk Chapman, Chief Operating Officer

Mr. Kidd will succeed Mr. Erickson as Chief Executive Officer, effective as of the Closing Date.

Mr. Kidd, age 66, is the co-founder and Chief Executive Officer of Hard Yaka since 2010 and, since 2024, the majority shareholder in Vast Bank Holdings, a nationally chartered bank. As an investor, Mr. Kidd provided first money at Twitter, Square (Block), Coinbase, Robinhood, and Solana. Other early investments include Ripple, Uphold, and Brave. After working at the consulting firm Booz Allen Hamilton from 1984 to 1990, Mr. Kidd took his first company, DMSC, public on the Nasdaq with $250 million in revenue and 3,200 staff globally. He later served in the payments division of the Board of Governors of the Federal Reserve System from 2002 to 2004 and as a senior director at the financial regulatory consulting firm Promontory Financial Group from 2004 to 2010. Mr. Kidd also served as Chief Risk Officer at Ripple from 2013 to 2015. In 2024, Mr. Kidd was a nonpartisan candidate running for Congress in Nevada's 2nd District. Mr. Kidd graduated with an A.B. from Brown University and earned an MBA from Yale University and an MPA in public policy from Harvard's Kennedy School.

Ms. Payne will succeed Mr. Conley as Chief Financial Officer, effective as of the Closing Date.

Ms. Payne, age 54, has over 30 years of experience leading and serving public and private companies in the financial services industry. Prior to joining USBC, Inc., she served in a number of key executive leadership roles including Chief Financial Officer of First Entertainment Credit Union, a not-for-profit financial institution headquartered in Hollywood, CA that supports creators of entertainment, from September 2024 to May 2025, and SVP, Controller and principal accounting officer of the Federal Home Loan Bank of San Francisco, a member-owned government-sponsored cooperative administering affordable housing mission contribution programs and providing low-cost funding to member institutions in California, Nevada and Arizona, from November 2021 to July 2024. She has also served as a Consultant to Hard Yaka Ventures since May 2025 and Chief Financial Officer of Community Bank of the Bay in Oakland, CA (OTCBB: CBOBA) from July 2024 to October 2024. From February 2019 to November 2021, Ms. Payne served as Chief Financial Officer of Commercial Bank of California, a privately held commercial bank with dual headquarters in Orange County and Los Angeles, and its wholesale ACH financial technology subsidiary company. Ms. Payne also has extensive experience with public companies, including serving as an executive of Fidelity Bank (Nasdaq:LION) from 2013 to 2018, Capital Bank (Nasdaq:CBF) from 2010 to 2013 and First National Bank of the South (Nasdaq:FNSC) from 1999 through 2010. Ms. Payne is an alumna of the global professional services firm, KPMG, where she spent the first seven years of her professional career from 1992 to 1999. She holds a B.S. in Financial Management from Clemson University and is a Certified Public Accountant in the state of South Carolina.

Mr. Chapman, age 47, brings more than 20 years of technical banking and payment experience to the Company. He is the co-founder and CEO of Omnumi, Inc., from February 2023 to present, an identity and compliance based stablecoin platform that underpins USBC. Prior to joining the Company, he served as the Chief Operating Officer of Hard Yaka Ventures from March 2025 to August 2025. He previously served as Advisor to Anthony Noto, CEO of SoFi from August 2017 to June 2022 during the billion dollar acquisitions of Galileo and Technisys as well as the acquisition of nationally chartered Golden Pacific Bank. Mr. Chapman served as Head of Strategy at Galileo from August 2021 to June 2022 and VP of Technology Ops at SoFi from August 2017 to August 2021. Prior to SoFi, Mr. Chapman served as Head of Technology at Independence National Bank from 2016-2017, where he was responsible for leading and building an online lending platform to compete in the SoFi, Lending Club, Prosper marketplace. His team successfully completed the first US installation of a global banking core, which included connectivity to global card issuers and processors. Mr. Chapman has a B.S. in Business Administration and Management from Bob Jones University.

In connection with their appointments each of Mr. Kidd, Ms. Payne and Mr. Chapman entered into substantially identical employment agreements, each dated August 6, 2025 (the "Employment Agreements"). Pursuant to the terms of the Employment Agreements, Mr. Kidd will serve as the Chief Executive Officer of the Company, Ms., Payne will serve as Chief Financial Officer of the Company, and Mr. Chapman will serve as Chief Operating Officer of the Company, and each is entitled to receive an annual base salary of $1 per annum for Mr. Kidd, and $320,000 per annum for each of Ms. Payne and Mr. Chapman, in each case, subject to review from time to time by the Company. Each of Mr. Kidd, Ms. Payne and Mr. Chapman is also eligible for an annual discretionary bonus from time to time, grants of equity awards from time to time, and participation in all group employment benefits that are offered by the Company from time to time, subject to the terms and conditions of such benefit plans, including any eligibility requirements. The Employment Agreements are at will, meaning that either the Company or Mr. Kidd, Ms. Payne or Mr. Chapman, respectively, may terminate the employment relationship at any time, with or without cause, upon written notice to the other party. If employment is terminated without Cause or for Good Reason (as each term is defined in the Employment Agreements), Mr. Kidd, Mr. Payne and Mr. Chapman will receive, respectively, subject to execution, delivery, and non-revocation of a general release of claims against the Company, (i) an amount equal to 12 months' annual base salary payable in equal installments as salary continuation payments (or in the event of a termination without Cause or for Good Reason within 24 months following a change in control, a

payment equal to (x) 1.5 times their respective annual base salary, plus (y) their respective annual bonus for the most recent fiscal year payable in a lump sum)), (ii) an amount equal to any earned bonus for the fiscal year in which termination occurs, and (iii) reimbursement for COBRA premiums paid for each executive and his or her dependents for the 12 month (or in the event of a termination without Cause or for Good Reason within 24 months following a change in control, 18 month) period following the date of termination.

Under their respective Employment Agreement, Mr. Kidd, Ms. Payne and Mr. Chapman are each bound by an indefinite confidentiality obligation, a non-competition covenant during employment and for 12 months post-termination, a non-solicitation covenant with respect to Company personnel and business partners during employment and for 12 months post-termination, assignment of intellectual property, and indefinite non-disparagement obligations.

As discussed below under Equity Grants, effective upon the Closing Date, Ms. Payne and Mr. Chapman were also granted stock options under the 2021 Plan to purchase up to 1,790,000 and 7,140,000 shares of Common Stock, respectively.

The foregoing description of the Employment Agreements is not complete and is subject to the full text of each Employment Agreement, copies of which are included as Exhibit 10.3, 10.4 and 10.5 to this Current Report on Form 8-K and is incorporated by reference herein.

Other than the Purchase Agreement, there are no arrangements or understandings between each of Mr. Kidd, Ms. Payne or Mr. Chapman and any other person pursuant to which he was appointed as an officer and neither Mr. Kidd, Ms. Payne nor Mr. Chapman has a direct or indirect material interest in any "related party" transaction required to be separately disclosed pursuant to Item 404(a) of Regulation S-K. Neither Mr. Kidd, Ms. Payne, nor Mr. Chapman has any family relationships with any of the Company's directors or executive officers.

Appointment of Directors

As described above, on the Closing Date, the Company appointed Mr. Kidd as Chairman of the board of directors and Linda Jenkinson as Vice Chair of the board of directors, each a USBC founding team member. The board of directors now consists of eight (8) members.

Mr. Kidd and Ms. Jenkinson will serve as directors until the 2025 annual meeting of stockholders or their earlier death, retirement, resignation or removal. Ms. Jenkinson will receive compensation for service to the board of directors in accordance with the non-employee director compensation program paid by the Company to all non-employee directors. Mr. Kidd will not receive any compensation for his services as director, as he will also be serving as the Company's Chief Executive Officer.

Biographical information with respect to Mr. Kidd is set forth above under "Appointment of Officers – Robert Gregory Kidd, Chief Executive Officer." The Company believes Mr. Kidd is qualified to serve on the board of directors because of his expansive investment and corporate governance experience.

Ms. Jenkinson, age 63, brings over 25 years of global governance experience, spanning multiple exchanges (NASDAQ, NZX, ASX) and extensive public board experience in both the financial services and medtech industries, spanning the role of chair and committees including audit and risk, capital, remuneration and nominating committees. Ms. Jenkinson currently serves as the Chair and Chief Executive Officer of Vast Bank Holdings, a nationally chartered bank, from February 2025 to present, the Global Chair of Straker (ASX:STL) a global AI translation company, from July 2025 to present a director of The Vinyl Group (ASX:VNL), a digital music platform, from November 2025 to present. Prior to her current roles, she served as Chair (Australia, United States, United Kingdom) of MedAdvisor Solutions (ASX:MDR), a Medical Adherence business focused on delivery via the pharmacy sector, from February 2022 to March 2025, Director, Chair of the Rem Committee and member of the Audit Committee of FleetPartners Group (ASX: FPR), a diversified vehicle finance company, from January 2018 to August 2023, Chair of Guild Trustee Services, a superannuation fund based in Australia, from August 2016 to December 2023, Guild Group, a diversified financial services group providing insurance and pharmacy SASS, from August 2016 to December 2023, Harbour Asset Management, an asset and fund management company, from January 2018 to August 2024, and a board member (New Zealand) of Air New Zealand (NZX: AIR), New Zealand's national carrier from June 2024 to October 2021. Prior to her governance career Linda co-founded two companies. Her first company was DMSC which she founded with Greg Kidd and served as Director and Chief Executive Officer of Dispatch Management Services (NASDAQ: DMSC), a provider of urgent, on-demand, point-to-point delivery services. She also founded LesConcierges, a global customer and employee experience company. With a client portfolio that included Visa, American Express, MBNA, Apple, Google, Texas Instruments, LC pioneered one of the first fully integrated global digital/voice/internet solutions. Earlier in her career Linda spent 11 years as a strategy consultant and advisor to Fortune 500 CEOs, boards, and executive teams. As a Partner at A.T. Kearney, she helped build the global Financial Services Practice. She holds a B.B.S. from Massey University in Data Processing, Accounting, & Finance and a New Zealand/Australia Chartered Accountant qualification and a M.B.A. from the Wharton School in Finance. The Company believes Ms. Jenkinson is qualified to serve on the board of directors because of her expansive governance experience spanning multiple exchanges.

Mr. Kidd and Ms. Jenkinson do not have any family relationship with any director or executive officer of the Company. As disclosed above, Mr. Kidd and Ms. Jenkinson were appointed to the board of directors pursuant to the Purchase Agreement and in connection with the closing of the Private Placement. Other than the Purchase Agreement, Mr. Kidd and Ms. Jenkinson do not have any direct or indirect interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Equity Grants

Effective on the Closing Date, the compensation committee of the board of directors approved, among other things, the grant of an aggregate of 13,690,000 options to purchase Common Stock pursuant to the 2021 Plan, as follows:

- An option to purchase up to 1,790,000 shares of Common Stock issued to Ms. Payne in connection with her appointment as Chief Financial Officer (the "Payne Option"). The Payne Option has an exercise price of $2.45 per share.

- An option to purchase up to 7,140,000 shares of Common Stock issued to Kirk Chapman in connection with his appointment as Chief Operating Officer (the "Chapman Option"). The Chapman Options has an exercise price of $2.45 per share.

- An option to purchase up to 4,760,000 shares of Common Stock issued to Linda Jenkinson in connection with her appointment as Vice Chair of the board of directors (the "Jenkinson Option"). The Jenkinson Option has an exercise price of $2.45 per share.

The Payne Option, Chapman Option and Jenkinson Option will vest as to 25% of the shares covered by the option on the one year anniversary of the Closing Date and in quarterly installments thereafter over the next three years, subject to the individual's continued service with the Company. The Payne Option, Chapman Option and Jenkinson Option were issued pursuant to the Form of ISO Grant Agreement (as defined below).

Form of Equity Award Agreements

The compensation committee of the board of directors approved the following forms of award agreements under the 2021 Plan: Incentive Stock Option Grant Agreement (the "Form of ISO Award Agreement"), Nonqualified Stock Option Grant Agreement (the "Form of NQSO Award Agreement") and Restricted Stock Award Agreement (the "Form of Restricted Stock Award Agreement").

Stock options granted under the 2021 Plan may be either incentive stock options (or ISOs) that qualify for special tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") or non-qualified stock options. The exercise price, vesting schedule, amount of the award, and other terms of any award of stock options under the 2021 Plan are determined on a grant-by-grant basis. The exercise price may not be less than the market price of the common stock on the date of grant. No option may be exercisable for more than ten years (five years in the case of an ISO granted to a ten-percent stockholder) from the date of grant. Options will generally terminate before their expiration date if the holder's service with the Company terminates before the expiration date. Options granted under the 2021 Plan may remain exercisable for specified periods after certain terminations of employment, including terminations as a result of death, disability or retirement, with the precise period during which the option may be exercised to be established by the plan administrator of the 2021 Plan and reflected in the option grant agreement.

The foregoing description of the Form of ISO Award Agreement and Form of NQSO Award Agreement is not complete and is subject to the full text of each form, copies of which are included as Exhibit 10.6 and 10.7, respectively, to this Current Report on Form 8-K and is incorporated by reference herein.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

As described above, in connection with the closing of the Private Placement, the Company's board of directors approved the change in the name of the Company to USBC, Inc. (the "Name Change") and the change in trading symbol of the Company to "USBC" on NYSE (the "Ticker Change"), to align with the Company's strategic transition into a multi-disciplinary enterprise following closing.

On August 6, 2025, the Company filed a Certificate of Amendment to the Company's articles of incorporation, as amended to date, effecting the Name Change. A copy of the Charter Amendment is attached hereto as Exhibit 3.1 and is incorporated herein by reference.

The Name Change and the Ticker Change will take effect on the NYSE on August 15, 2025. Neither the Name Change, nor the Ticker Change, affects the rights of the Company's stockholders, and stockholders do not need to take any action in connection with the Name Change or the Ticker Change.

Item 8.01 Other Events

Conversion of Series C and Series D Preferred Stock

On the Closing Date, the Company's current holders of Series C Preferred Stock and Series D Preferred Stock, converted all outstanding shares of their Series C Preferred Stock and Series D Preferred Stock, each at a conversion price of $0.335, into an aggregate of 7,569,299 shares of Common Stock and all accrued and unpaid dividends were converted into an aggregate of 764,141 shares of Common Stock.

Series H Preferred Stock Redemption

On the Closing Date, the Company completed the redemption of the 16,916 issued and outstanding shares of Series H Preferred Stock held by J3E2A2Z LP ("J3E2A2Z"), an entity affiliated with and controlled by Ronald P. Erickson, the Company's former Chief Executive Officer. J3E2A2Z elected to redeem all 16,916 shares of the Series H Preferred Stock in a combination of cash and Common Stock at a redemption price equal to the stated value of $70, plus all accrued and unpaid dividends in an amount of $140,210.15, resulting in (i) a cash payment to J3E2A2Z of $654,276.15 in the aggregate and (ii) the issuance to J3E2A2Z of 2,000,000 shares of Common Stock in the aggregate, at a conversion price of $0.335 per share (the "Series H Redemption Shares").

Press Release

On August 6, 2025, the Company issued a press release announcing the closing of the Private Placement. A copy of the press release is filed as Exhibit 99.1 hereto and incorporated herein by reference.

Risk Factors

In connection with the Private Placement, the Company disclosed updated risk factors which supplement and, as appropriate, supersede the risk factors included in the Company's Annual Report on Form 10-K filed on November 14, 2024, as amended, and the Company's subsequent reports on Form 10-Q, attached hereto as Exhibit 99.2 and incorporated herein by reference.

No Offer or Solicitation

This communication is for informational purposes only and is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Forward Looking Statements.

This report contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "believe," "project," "estimate," "expect," strategy," "future," "likely," "may,", "should," "will" and similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the current intent, beliefs, expectations and assumptions of the Company, its directors or its officers regarding the future of its business, future plans and strategies including its cryptocurrency treasury strategy, projections, anticipated events and trends, the economy and other future conditions, current state and federal securities laws, and other laws and regulations related to digital assets. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements. No forward-looking statement is a guarantee of future performance. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause the Company's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) fluctuations in the market price of Bitcoin and any associated unrealized gains or losses on digital assets that the Company may incur as a result of a decrease in the market price of Bitcoin below the value at which the Company's Bitcoin are carried on its balance sheet; (ii) the effect of and uncertainties related to the ongoing volatility in interest rates; (iii) the Company's ability to achieve and maintain profitability in the future; (iv) the impact of the regulatory environment on the Company's business and complexities with compliance related to such environment including changes in state or federal securities laws or other laws or regulations; (v) changes in the accounting treatment relating to the Company's Bitcoin holdings; (vi) the Company's ability to respond to general economic conditions; (vii) the Company's ability to manage its growth effectively and its expectations regarding the development and expansion of its business; (viii) the Company's ability to access sources of capital, including equity and debt financing and other sources of capital to finance operations and growth and (ix) other risks and uncertainties more fully detailed in the section captioned "Risk Factors" in the Company's most recent Annual Report on Form 10-K for the fiscal year ended September 30, 2024, Forms 10-Q and 8-K, and other reports filed with the SEC from time to time. As a result of these matters, changes in facts, assumptions not being realized or other circumstances, the Company's actual results may differ materially from the expected results discussed in the forward-looking statements contained in this report. Forward-looking statements contained in this report are only made as of this date, and the Company undertakes no duty to update such information after the date of this report except as required under applicable law.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are filed herewith:

Exhibit No.	Description
3.1	Certificate of Amendment to Articles of Incorporation, as amended.
10.1	Asset Management Agreement, dated August 6, 2025, by and between the Company and Hyrcanian Asset Management, LLC.
10.2*	Separation Agreement, dated August 6, 2025, by and between the Company and Peter J. Conley.
10.3*	Employment Agreement, dated August 6, 2025, by and between the Company and Robert Gregory Kidd.
10.4*	Employment Agreement, dated August 6, 2025, by and between the Company and Kitty Payne.
10.5*	Employment Agreement, dated August 6, 2025, by and between the Company and Kirk Chapman.
10.6*	Form of ISO Award Agreement.
10.7*	Form of NQSO Award Agreement.
10.8*	Form of Restricted Stock Award Agreement.
99.1	Press Release, dated August 6, 2025.
99.2	Risk Factors.

* Management contract or compensatory plan or arrangement.

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, thereunto duly authorized.

KNOW LABS, INC.

Date: August 7, 2025

By: /s/ Robert Gregory Kidd
Name: Robert Gregory Kidd
Title: Chief Executive Officer

EXHIBIT 3.1

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

KNOW LABS, INC. a corporation organized and existing under the laws of the State of Nevada (the "Corporation"), hereby certifies as follows:

1. Name of Corporation. The name of the corporation immediately prior to filing this Certificate of Amendment is Know Labs, Inc., and the Corporation's Nevada Business Identification Number is C23651-1998.

2. Amendment to the Articles of Incorporation. Pursuant to Sections 78.385 and 78.390 of the Nevada Revised Statutes, ARTICLE I of the Articles of Incorporation is amended in its entirety as follows:

ARTICLE I – NAME

The name of the Corporation is USBC, Inc. (the "Corporation").

(The foregoing amendment effects only a change of corporate name and makes no other change to the Articles of Incorporation.)

3. No Other Amendment. Except as amended hereby, all other provisions of the Articles of Incorporation shall remain in full force and effect.

4. Effective Date of Filing. The amendment herein certified shall become effective upon filing with the Nevada Secretary of State.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by its Chief Executive Officer of this Corporation as of August 6, 2025.

KNOW LABS, INC.

By: */s/ Ronald P. Erickson*
Name: Ronald P. Erickson
Its: Chief Executive Officer

EXHIBIT 10.1

Digital Asset Management Agreement

This Digital Asset Management Agreement (the "Agreement") is entered into as of August 5, , 2025, (the "Effective Date"), by and between **Hyrcanian Asset Management, LLC**, a Puerto Rico limited liability company, acting as a digital asset manager, exempt from registration under the Investment Advisers Act of 1940 and the Commodity Exchange Act, with its principal office at 2210 Dorado Beach Drive, Dorado, PR 00646 (the "**Manager**"); and **Know Labs, Inc**., a Nevada corporation, with its principal office at 500 Union Street, Suite 810, Seattle, WA 98101 (the "Client" or "You"), each a Party and collectively, the Parties.

WHEREAS, the Client seeks to engage the Manager to provide discretionary investment management services relating to those assets designated by Client to be subject to Manager's discretionary authority as described in Schedule A (the "Assets" or "Account"); and

WHEREAS, the Manager was established to make and manage digital investments aligned with the Client's investment objectives and will periodically review the Assets to ensure they meet the Client's investment needs, goals, objectives, and risk tolerance, as agreed upon (collectively, the "Investment Needs");

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

A. ***Services and Duties.***

1. The Client hereby appoints the Manager with respect to the Accounts designated by Client in Schedule A for the period and on the terms set forth in this Agreement, and the Manager accepts such appointment. The duties of the Manager, shall include, but shall not be limited to, the following:
   i. The Manager, to the extent permitted by applicable laws, rules, and regulatory interpretations, will recommend a digital asset investment program focused on buying and selling call options on Bitcoin, excluding spot Bitcoin transactions (the "Program"). The Manager will manage the investment strategies, including which digital asset derivatives to buy, hold, sell, or exchange, and whether any portion of the Account should remain uninvested and continuously review, supervise and administer the investment program of the Account.
   ii.
   iii. With the Client's consent, the Manager may open one or more Separately Managed Accounts ("SMAs"), as listed in Schedule A. SMAs provide access to defined digital asset investment strategies following the Program, where the Manager on a discretionary basis, takes full responsibility for digital asset selection, and trading authority as described herein.
   iv. The Manager will provide administrative services, including but not limited to: arranging custodial services through a separate agreement between the Client and a qualified custodian; coordinating with custodians to ensure comprehensive Account services; and preparing quarterly performance reports to supplement custodian- provided Account statements.

   v. The Manager will designate an individual to serve as the primary Client contact and that person shall endeavor to (i) be available as necessary to respond to the Client's questions and inquiries; and (ii) maintain general familiarity with the status of Client's account and recent activity therein.
   vi. The Manager agrees that it will discharge its responsibilities under this Agreement subject to the investment objectives, policies, guidelines, and restrictions as directed by the Client, the applicable rules and regulations of the Securities and Exchange Commission, the Commodity Futures Trading Commission, other applicable federal and state laws, and the rules of any self-regulatory agency all as from time to time in effect.
2. The Client consents to the Manager including Assets in "batch" or "block" trades when purchasing or selling the same derivatives for multiple clients simultaneously, unless otherwise directed in writing by the Client. Such trades may be executed over-the-counter or via digital asset exchanges to achieve best execution or favorable terms. The Manager will strive to allocate transactions proportionally based on each client's order, averaging prices and costs equitably. Batch trades will comply with applicable rules under the Investment Advisers Act of 1940 and SEC guidance, as applicable. The Manager will not receive additional compensation from batching. The Manager will process transactions promptly but does not guarantee same-day execution by the broker-dealer or custodian.

B. ***Client Representations and Obligations.***

1. The Client hereby represents and warrants that they have independently determined that the digital asset strategy proposed by the Manager is suitable for their investment needs, objectives, and risk tolerance. The Client acknowledges that they have had the opportunity to consult with their own advisors and have made this determination based on their own assessment.
2. Client represents and warrants to Manager that Client meets the definition of a "Qualified Client" as set forth in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), specifically certifying and confirming that Client either has at least $1,100,000 under management with Manager immediately after entering into this Agreement, or has a net worth (together with assets held jointly with Client's spouse, if applicable, but excluding the value of Client's primary residence and certain indebtedness secured by such residence, as described in Rule 205-3) exceeding $2,200,000 immediately prior to entering into this Agreement, or otherwise qualifies as a Qualified Client pursuant to Rule 205-3. Client acknowledges that Manager is relying on this representation in determining Client's eligibility for performance-based fees, and Client agrees to promptly notify Manager in the event that Client ceases to meet the criteria of a Qualified Client during the term of this Agreement.
3. The Client agrees to promptly inform the Manager in writing of any material changes to their financial situation, investment objectives, or risk tolerance that may affect the suitability of the digital asset strategy. The Client acknowledges that failure to inform the Manager of such changes may affect the performance and appropriateness of the investment strategy.
4. The Client agrees to deposit and maintain a minimum Account balance equivalent to 1000 Bitcoin within thirty (30) days of this Agreement's effective date. Failure to meet or maintain this requirement may result in the Manager suspending services or terminating this Agreement, subject to written notice to the Client.

C. ***Term***. This Agreement remains in effect until terminated by either party with thirty (30) days' written notice to the other. The Client may terminate within five (5) business days of signing without penalty, though any investment activity during this period is at the Client's sole risk. Upon termination, fees will be prorated and charged until the notice is processed, typically within two (2) business days. The Manager and custodian will reasonably facilitate the transfer or liquidation of Assets, subject to standard settlement procedures. Neither the Manager nor the custodian will be liable for losses due to market fluctuations during this period, absent gross negligence or willful misconduct.

D. ***Fees and Expenses.***

1. Client agrees to pay Adviser the fees as set forth and described in Schedule A attached hereto and incorporated herein by reference (the "Program Fee").
2. During the term of this Agreement, Manager shall bear all costs and expenses incurred by Manager in connection with providing digital advisory services under the Program, and Client shall have no responsibility for such Program related costs or expenses. Notwithstanding the foregoing, the Program Fee does not include brokerage commissions, trading costs, transaction charges, custodial fees, or other third-party fees, including without limitation fees charged directly to Client by custodians or other third-party service providers. Client acknowledges and agrees that it shall remain solely responsible for payment of all such excluded costs and expenses.
3. During the term of this Agreement, Manager agrees that it shall not offer fee terms to any current or future client with a substantially similar investment strategy (e.g., discretionary management) and whose account size is equal to or less than that of Client, which are materially more favorable than the fee terms provided to Client under this Agreement, unless Client is concurrently offered the benefit of such more favorable terms.
4. Unless otherwise agreed in writing, all fees will be assessed and paid in Bitcoin. The Client authorizes the Manager to instruct the custodian to deduct the Management Fee directly from the Account, in accordance with applicable custody regulations. The Manager is responsible for verifying the accuracy of its fee calculations, as the custodian will not perform this verification, and the amount of such fees shall be confirmed by Client.

E. ***Indemnification and Limitation of Liability***

1. Each Party hereto agrees to indemnify, defend, and hold harmless the counterparty, its affiliates, and their respective directors, officers, employees, agents, and representatives (collectively, the "Indemnified Parties") from and against any and all claims, liabilities, losses, damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees and expenses) incurred by or asserted against any of the Indemnified Parties arising out of or in connection with:
   i. Any act or omission of the counterparty , its affiliates, or any of their respective directors, officers, employees, agents, or representatives in connection with the performance of the counterparty's obligations under this Agreement, except to the extent that such claims, liabilities, losses, damages, costs, or expenses result from the gross negligence, willful misconduct, or fraud of the counterparty.
   ii. Any breach by the other of any representation, warranty, covenant, or agreement contained in this Agreement.
   iii. Any action taken or omitted to be taken by one party hereto in reliance upon any information, instructions, or requests provided by the counterparty or its representatives.
   iv. Notwithstanding the above, Client agrees not to independently trade or execute the strategy devised by the Manager, in exact or proximate similitude, and Manager shall not indemnify Client for any loss or harm to Client resulting therefrom.

2. Indemnification Procedure:
   i. In the event any claim, demand, action, or proceeding (each, a "Claim") is asserted or commenced against any of the Indemnified Parties for which indemnification may be sought under this Agreement, the Indemnified Party shall promptly notify the counterparty in writing; provided, however, that the failure to give such notice shall not relieve any indemnification obligations hereunder except to the extent such failure results in material prejudice.
   ii. The party responsible for indemnifying the other shall have the right to assume the defense and control of any Claim with counsel reasonably acceptable to the Indemnified Party, provided that the Indemnified Party shall have the right to participate in the defense of such Claim at its own expense. If the party responsible for indemnifying the other fails to assume the defense of any Claim within a reasonable period, the Indemnified Party may assume the defense of such Claim, and the indemnifying party shall be liable for all reasonable costs and expenses incurred in such defense.
   iii. The party responsible for indemnifying the other shall not settle or compromise any Claim without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed.
   The Indemnified Party shall cooperate in the defense of any Claim and shall provide such assistance as reasonably requested.
3. Notwithstanding the foregoing, nothing in this Section shall limit any right under applicable state or federal law which, under certain circumstances, may impose liability on persons that act in good faith) to the extent (but only to the extent) that such indemnification would be in violation of applicable law. If any provision of this Agreement is found to be invalid or unenforceable under any applicable federal law, the remainder of this Agreement shall continue in full force and effect.

F. ***Additions and Withdrawals.*** The Client may add to or withdraw from the Account at any time, subject to standard settlement procedures and the Manager's right to terminate services if the minimum balance is not maintained. The Management Fee, as outlined in Schedule A, is prorated and charged quarterly in advance based on the Account's market value on the last day of the prior billing period. For deposits or withdrawals exceeding $250,000 during a billing period, the fee will be adjusted proportionally for that quarter.

G. ***Custodian.***

1. Manager will not maintain actual or physical custody of Client Assets. Client Assets will be held in the custody of a custodian meeting the requirements of a "qualified custodian" as defined in Rule 206(4)-2 of the Investment Advisers Act of 1940. Under no circumstances may Manager withdraw Client Assets from the custodian or otherwise move, exercise control over or consent to provide control over Client funds to any party other than the Client for any purpose whatsoever, neither under the execution of the strategy nor in relation to the settlement of financial obligations pertinent thereto.
2. The broker-dealer or custodian of the Assets will be responsible for sending confirmations of each transaction and a brokerage statement no

less than quarterly. The Client is responsible for maintaining electronic access on the custodian's portal, where holdings can be viewed in real time. We recommend that the Client compare and verify the information in our report with the information on the statements received directly from the custodian.

H. ***Notices***. Notices of any kind to be given hereunder shall be in writing and shall be duly given if mailed or delivered:

to the Manager at:

2020 Rittenhouse Square
Philadelphia, PA 19103

with a copy to:

Royer Cooper Cohen Braunfeld
Attn: Justin Dausch and Roger Braunfeld
101 W Elm St Suite 400,
Conshohocken, PA 19428

with concurrent email copy to:

Ralph A. Daiuto, Jr., Esq.
RAD Partners, LLC
rdaiuto@radpartnersllc.com

to the Client at:

Greg Kidd
Jun Hiraga
Tim Lewkow
26 State Route 28, Unit 1186
Crystal Bay, NV 89402

With concurrent email copies to:

Greg.Kidd@gmail.com
Jun@hardyaka.com
tim@hardyaka.com
thomas@thomaschristopherlaw.com

I. ***Miscellaneous.***

1. ***Non-Exclusivity.*** The services of the Manager are not exclusive to the Client. The Manager and any member, employee or agent of the Manager may render similar services to others and engage in additional activities so long as the Manager performs its obligations under this Agreement.

2. ***Confidentiality***. The transactions entered into at the instruction of the Manager are confidential. The Client and any member, employee or agent of the Client may not disclose the details of the transactions recommended by the Manager to any party who is not a member, employee or agent (inclusive of any tax or legal advisors) of the Client, nor may the Client enter into duplicate transactions or similar transactions while this Agreement remains in force; failure to uphold this obligation may result in immediate termination of this Agreement.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

3. ***Jurisdiction and Venue.*** To the fullest extent permitted by law, any controversy, dispute, or claim arising out of or relating to this Agreement or the transactions contemplated hereby, including but not limited to claims involving interpretation, performance, breach, or termination of this Agreement, shall be settled exclusively by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules then in effect. The arbitration shall take place at a mutually agreeable location, or if no agreement is reached, at the discretion of AAA. Judgment upon the arbitration award rendered may be entered by any court having jurisdiction thereof.

4. ***Waiver of Jury Trial.*** Each party hereby knowingly, voluntarily, and intentionally waives its right to a trial by jury in respect to any litigation arising out of, relating to, or in connection with this Agreement or the transactions contemplated hereby. Each party acknowledges that this waiver constitutes a material inducement for entering into this Agreement.

5. ***Successor and Assigns.*** This Agreement shall inure to the benefit of the parties hereto and the Indemnified Parties, and shall be binding upon the parties hereto, and their respective successors, permitted assigns and, in the case of individual Indemnified Parties, heirs and legal

representatives. Neither party may assign this Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management will not be considered an assignment.

6. ***Severability.*** Every term and provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such term or provision will be enforced to the maximum extent permitted by law and, in any event, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

7. ***Entire Agreement***. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes any prior agreement, negotiations, or understanding among them with respect to such subject matter.

8. ***Headings.*** The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof or affect the interpretation thereof.

9. ***Counterparts.*** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single agreement.

10. ***Survival of Certain Provisions***. The provisions of Section 4 (*Indemnification*) of this Agreement shall survive any termination or expiration of this Agreement.

11. ***No Registration.*** Client acknowledges, understands, and agrees that Manager is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and does not provide investment advice with respect to securities. Further, Client acknowledges and understands that Manager is neither registered nor required to be registered in any capacity under the Commodity Exchange Act, as amended, or with the National Futures Association ("NFA") as a Commodity Trading Advisor ("CTA"). Consequently, Client expressly recognizes that Manager is not subject to regulatory oversight or investor protection rules applicable to registered investment advisers or commodity trading advisors.

12. ***Waiver***. No waiver of the provisions of this Agreement shall be valid unless in writing and signed by the party to be bound. No failure or delay by any party in exercising any right or remedy hereunder shall operate as a waiver thereof, and a waiver of a particular right or remedy on one occasion shall not be deemed a waiver of any other right or remedy or a waiver on any subsequent occasion.

[Signature Page to Follow]

IN WITNESS WHEREOF, each party acknowledges and accepts its respective rights, duties, and responsibilities hereunder. This Agreement will not be binding until executed by all parties. .

Manager:	Client:
Hyrcanian Asset Management, LLC	**Know Labs, Inc.**
By: /s/ Ashton Soniat	By: */s/ Robert Gregory Kidd*
Name: Ashton Soniat	Name: Robert Gregory Kidd
Title: Chief Executive Officer	Title: Chief Executive Officer

Schedule A

Accounts:

Account ending in 0001

Program Fee:

The Client shall pay the Manager an asset-based fee as described on Schedule A (the "Management Fee) equal to one percent (1%) of total account value per annum. The Management fee will be prorated, charged quarterly in advance, and paid based upon the market value of the Assets on the last day of the previous billing period ("Billing Period"). There will be no increase in the Management Fee without prior written notice. This fee will be calculated at the end of each calendar quarter and paid within thirty (30) days of receiving the detailed statement from the Manager.

The Client agrees to pay the Manager an annual performance fee (the "Performance Fee") equal to twenty-five percent (25%) of the net realized gains and periodic change in mark-to-market on the account strategy. Net realized gains are calculated as the total premiums received from options contracts, net of any premiums paid and/or realized gains or losses (as the case may be) upon the expiration of in-the-money options; periodic change in mark-to-market is calculated as the difference between the entry prices of any open positions held by the strategy and the mid-market valuation of those positions as of a relevant observation date. This fee will be calculated at the end of each calendar year and paid within thirty (30) days of receiving the detailed statement

from the Manager. No portion of the Performance Fee will be based on capital gains on the Assets (apart from the account strategy) or appreciation of the Assets.

August 6, 2025

Peter Conley

Dear Peter:

As discussed, enclosed please find a Separation and General Release Agreement (the "Agreement") with respect to your separation of employment from Know Labs, Inc. (the "Company"), which will be upon the consummation of the transactions described in that certain Securities Purchase Agreement dated as of June 5, 2025, by and among the Company and Goldeneye 1995 LLC, a Nevada limited liability company, which we anticipate will occur on or around August 5, 2025 (such date, the "Separation Date").

To receive the severance payment described in the Agreement, you must:

- remain employed with the Company in good standing through the Closing,
- execute and return the Agreement no later than August 12, 2025, but not before the Separation Date,
- not revoke the Agreement within seven days after executing it, and
- comply with all terms of the Agreement.

You will continue to receive your regular base salary through the Separation Date. We also remind you that you continue to be bound by your Proprietary Information, Invention Assignment, Post Employment Restraints and Arbitration Agreement between you and the Company dated on or about May 13,2022 (as amended, restated, or otherwise modified from time to time, the "Confidentiality Agreement").

Please submit all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

You will receive information about your 401(k) account (if any) and any other benefits separately. Eligibility for unemployment benefits is decided by the State, not the Company, and you may wish to contact your local unemployment office to apply.

If you have any questions regarding the Agreement, please contact Ronald Erickson, Chief Executive Officer.

SEPARATION AND GENERAL RELEASE AGREEMENT

This Separation and General Release Agreement is between Peter Conley ("you" or "Employee") and Know Labs, Inc. (the "Company"). You are eligible to receive the Severance Payment set forth below if you sign and return the Agreement within three (3) business days following the Separation Date (as defined below), do not revoke your acceptance within seven (7) days after signing it, and comply with all terms of the Agreement.

1. Last Day of Employment. Your last day of employment with the Company will be the date of the consummation of the transactions described in that certain Securities Purchase Agreement dated as of June 5, 2025, by and among the Company and Goldeneye 1995 LLC, a Nevada limited liability company (the "Separation Date"). Your active participation in the Company's group health insurance plan(s), if applicable, will end on the last calendar day of the month in which the Separation Date occurs. Coverage under any other group benefit plans or programs in which you participated, if any, will end on the Separation Date.

2. Consideration. If you choose to sign and return this Agreement within the required time-period, do not revoke your acceptance, and you abide by all of the other terms of this Agreement, the Company agrees to pay you, as severance, a lump sum payment equal to twelve (12) months of your regular base salary (i.e., $400,000), less applicable withholdings and deductions, which shall be payable within thirty (30) days of the "Effective Date" (as defined in Section 4 below) (the "Severance Payment").

You acknowledge that the Company would not agree to provide you with the Severance Payment without your general release of claims and other promises in this Agreement. You also agree that the Severance Payment constitutes good and valuable consideration for your general release of claims and other promises in this Agreement.

3. General Release of Claims In exchange for the Severance Payment, you (for yourself and your heirs, executors, administrators, beneficiaries, personal representatives and assigns) hereby completely, forever, irrevocably and unconditionally release and discharge, to the maximum extent permitted by law, the Company, the Company's past, present and future parent organizations, subsidiaries and other affiliated entities, related companies and divisions and each of their respective past, present and future officers, directors, employees, shareholders, trustees, members, partners, attorneys and agents (in each case, individually and in their official capacities) and each of their respective employee benefit plans (and such plans' fiduciaries, agents, administrators and insurers, individually and in their official capacities), as well as any predecessors, future successors or assigns or estates of any of the foregoing and any professional employer organization(all, collectively, the "Released Parties") from any and all claims, actions, charges, controversies, causes of action, suits, rights, demands, liabilities, obligations, damages, costs, expenses, attorneys' fees, damages and obligations of any kind or character whatsoever, that you ever had, now have or may in the future claim to have by reason of any act, conduct, omission, transaction, agreement, occurrence or any other matter whatsoever occurring up to and including the date that you sign and return this Agreement. This general release of claims includes, without limitation, any and all claims:

- of discrimination, harassment, retaliation, or wrongful termination;

- for breach of contract, whether oral or written (express or implied), breach of covenant of good faith and fair dealing (express or implied), promissory estoppel, negligent or intentional infliction of emotional distress, fraud, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel or slander, negligence, assault, battery, invasion of privacy, personal injury, compensatory or punitive damages, or any other claim for damages or injury of any kind whatsoever;
- for violation or alleged violation of any federal, state or municipal statute, rule, regulation or ordinance, including, but not limited to, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Older Workers Benefit Protection Act of 1990, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans with Disabilities Act, the Fair Labor Standards Act, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act, the Fair Credit Reporting Act, the Genetic Information Nondiscrimination Act, the Worker Adjustment and Retraining Notification Act, the Family & Medical Leave Act, the Sarbanes-Oxley Act of 2002, the federal False Claims Act, Washington State Law Against Discrimination, Washington Equal Pay Law, Washington Sex Discrimination Law, Washington Age Discrimination Law, Washington Family Care Act, Washington Parental Leave Discrimination Law, Washington Minimum Wage Act, Washington Wage, Hour, and Working Conditions Law, Washington Wage Payment and Collection Law, Washington Industrial Welfare Act, Washington Family and Medical Leave Act, Washington Military Employment and Reemployment Law, Washington Social Media Privacy Law, Washington Whistleblower Protection Law, Washington Genetic Testing Protection Law, Utah Antidiscrimination Act, Utah Minimum Wage Act, Utah Wage Payment Law, Utah Genetic Testing Privacy Act, Internet Employment Privacy Act, Utah Right to Work Law, Utah Public Order and Decency Law, Employment Relations and Collective Bargaining Act, Protection of Activities in Private Vehicles Act, Employment Selection Procedures Act, Utah Occupational Safety and Health Act, in each case as such laws have been or may be amended;
- for employee benefits, including, without limitation, any and all claims under the Employee Retirement Income Security Act of 1974;
- to any non-vested claim to ownership interest in the Company, contractual or otherwise, including, but not limited to, claims to stock or stock options (including any promised equity that has not yet been granted);
- arising out of or relating to any promise, agreement, offer letter, contract (whether oral, written, express or implied), understanding, personnel policy or practice, or employee handbook;
- relating to or arising from your employment with the Company, the terms and conditions of that employment, and the termination of that employment, including, without limitation any and all claims for discrimination, harassment, retaliation or wrongful discharge under any common law theory, public policy or any federal, state, or local statute or ordinance not expressly listed above and any claims with respect to that certain employment agreement, dated as of May 13, 2022, between you and the Company; and
- any and all claims for monetary recovery, including, without limitation, attorneys' fees, experts' fees, expenses, costs and disbursements.

You expressly acknowledge that this general release of claims includes any and all claims arising up to and including the date you sign and return this Agreement which you have or may have against the Released Parties, whether such claims are known or unknown, suspected or unsuspected, asserted or unasserted, disclosed or undisclosed. By signing this Agreement, you expressly waive any right to assert that any such claim, demand, obligation or cause of action has, through ignorance or oversight, been omitted from the scope of this release and you further waive any rights under statute or common law principles that otherwise prohibit the release of unknown claims. You acknowledge and agree that you do not as of the date of execution of this Agreement have any known or suspected claim(s) against any of the Released Parties, the factual foundation for which involves unlawful discrimination, harassment, or retaliation.

This general release of claims does not apply to, waive or affect: any rights or claims that may arise after the date you sign this Agreement; any claim for workers' compensation benefits (but it does apply to, waive and affect claims of discrimination and/or retaliation on the basis of having made a workers' compensation claim); claims for unemployment benefits or any other claims or rights that by law cannot be waived in a private agreement between an employer and employee; your rights to any vested benefits (including stock options granted to you by the Company that are vested as of the Separation Date) to which you are entitled under the terms of the applicable employee benefit plan; or any claims to indemnification or insurance coverage, including but not limited to "D&O coverage", that you may have with respect to any claims made or threatened against you in your capacity as a director, officer or employee of the Company (the "Excluded Claims"). ***This general release of claims also does not apply to, waive, affect, limit or interfere with your preserved rights described in Section 11 below.***

4. Waiver of Claims under ADEA; Time to Consider/Revoke. You acknowledge, understand and agree that the general release of claims in Section 3 above includes, but is not limited to, **a waiver and release of all claims that you may have under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA")** arising up to and including the date that you sign and return this Agreement. As required by the Older Workers Benefit Protection Act of 1990, you are hereby advised that:

- you are not waiving any rights or claims under the ADEA that may arise after the date you sign this Agreement;
- you should consult with an attorney of your choice concerning your rights and obligations under this Agreement before signing this Agreement;
- you should fully consider this Agreement before signing it;
- nothing in this Agreement prevents or precludes you from challenging (or seeking a determination of) the validity of the waiver under the ADEA;
- you have twenty one (21) days from the date you received this Agreement to consider whether or not you want to sign it. You also should understand that you may use as much or as little of the review period as you wish before deciding whether or not to sign this Agreement;
- if you do not sign and return this Agreement within the required time period, then the Company's offer to provide you with the consideration described in Section 2 above, will automatically terminate;

- at any time within seven (7) days after signing this Agreement, you may change your mind and revoke your acceptance of this Agreement. To be effective, your revocation must be in writing and either hand-delivered or sent electronically to the Company within the 7-day period;
- this Agreement is not effective or enforceable until (and if) the revocation period has passed without a revocation;

- if you exercise your right to revoke, this Agreement will not be enforceable; and
- if you do not revoke your acceptance of this Agreement, the eighth day following the date that you sign and return this Agreement will be the "Effective Date".

5. No Pending Claims. You represent and warrant that you have no charges, lawsuits, or actions pending in your name against any of the Released Parties relating to any claim that has been released in this Agreement. You also represent and warrant that you have not assigned or transferred to any third party any right or claim against any of the Released Parties that you have released in this Agreement.

6. Covenant not to Sue. Except as provided in Section 11 below, you covenant and agree that you will not report, institute or file a charge, lawsuit or action against any of the Released Parties with respect to any claim that has been released in this Agreement.

7. Cooperation with Investigations/Litigation. You agree, at the Company's request, to reasonably cooperate, by providing truthful information, documents and testimony, in any Company investigation, litigation, arbitration, or regulatory proceeding regarding events that occurred during your employment with the Company. Your requested cooperation may include, for example, making yourself reasonably available to consult with the Company's counsel, providing truthful information and documents, and appearing to give truthful testimony. The Company will, to the extent permitted by applicable law and court rules, reimburse you for reasonable out-of-pocket expenses that you incur in providing any requested cooperation, so long as you provide advance written notice to the Company of your request for reimbursement and provide satisfactory documentation of the expenses. Nothing in this section is intended to, and shall not, preclude or limit your preserved rights described in Section 11 below.

8. Non-Disparagement. You agree that you will not at any time make any disparaging or derogatory statements concerning any of the following: the Company, its founders, or the Company's business, products, services, clients or employees, either orally or in writing (including on social media such as Glassdoor, Fishbowl, LinkedIn, etc and including anonymously). Nothing in this Section is intended to, and shall not, restrict or limit you from exercising your preserved rights described in Section 11, including your rights, if any, under Section 7 of the National Labor Relations Act, or restrict or limit you from providing truthful information in response to a subpoena, other legal process or valid governmental inquiry.

9. Non-Disclosure Obligations. You acknowledge your obligation to keep confidential, and to not disclose or use (and agree to keep confidential and not disclose or use) any and all non-public information concerning the Company that you acquired during the course of your employment (such as non-public information about the Company's business affairs, prospects and financial condition), unless such disclosure is made in response to a subpoena, other legal process, valid governmental inquiry or otherwise required by law or is reasonably necessary to exercise your preserved rights under Section 11. You also acknowledge and reaffirm, and agree to comply with, your obligations under any confidentiality, assignment of inventions, non-competition, non-solicitation or non-disparagement agreement(s) that you previously executed for the benefit of the Company, such as the Confidentiality Agreement, which remains in full force and effect. In the event of any conflict between any such obligation or agreement and this Agreement, the provisions which are broadest (including, without limitation, with respect to scope and duration), or otherwise most favorable to the Company or its affiliates, as applicable, shall control.

10. Return of Company Documents and Other Property. You agree that you will immediately disclose to the Company all passwords necessary or desirable to enable the Company to access all information which you have password-protected on any of its computer equipment, on its computer network or system, or on any accounts that you used for the Company's benefit during your employment (including, but not limited to, Slack and cloud). In addition, you confirm that you have returned to the Company any and all Company documents, materials and information (whether in hardcopy, on electronic media or otherwise) related to Company business and/or containing any non-public information concerning the Company, as well as all equipment, keys, access cards, credit cards, computers, computer hardware and software, electronic devices and any other Company property in your possession, custody or control. You also represent and warrant that you have not retained copies of any Company documents, materials or information (whether in hardcopy, on electronic media or otherwise).

11. Preserved Rights: This Agreement is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with:

(a) your protected rights under federal, state or local employment discrimination laws (including, without limitation, ADEA and Title VII) to communicate or file a charge with, initiate, testify, assist, comply with a subpoena from, or participate in any manner in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission ("EEOC") or similar federal, state or local government body or agency charged with enforcing employment discrimination laws; provided, however, you shall not be entitled to any relief or recovery (whether monetary or otherwise), and you hereby waive any and all rights to relief or recovery under, or by virtue of, any such filing of a charge with, or investigation, hearing or proceeding conducted by, the EEOC or any other similar federal, state or local government agency relating to any claim that has been released in this Agreement

(b) your protected right to test in any court, under the Older Workers Benefit Protection Act, or like statute or regulation, the validity of the waiver of rights under ADEA in this Agreement;

(c) your right to enforce the terms of this Agreement and to exercise your rights relating to any other Excluded Claims; or

(d) your rights, if any, under the National Labor Relations Act;

(e) your protected right to disclose any facts necessary to receive unemployment insurance, Medicaid, or other public benefits to which you are entitled;

(f) your protected rights to discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

12. No Other Pay or Benefits. You acknowledge and agree that except as provided herein, you have been paid for all work performed including, without limitation, all salary/wages, bonuses, overtime, commissions, unused vacation time, and/or any other forms of compensation due to you up through the Separation Date. You acknowledge and agree that, except for Company's obligation to provide the payment specifically provided herein, you are entitled to no other payments or benefits whatsoever and the Released Parties have no further obligations to you whatsoever, whether arising out of your employment with the Company, your separation from the Company, or otherwise.

13. No Admission. Nothing contained in this Agreement will constitute or be treated as an admission by you, the Company or any of the other Released Parties of any liability, wrongdoing or violation of law.

14. Breach. In the event you breach any of your obligations under this Agreement or the Confidentiality Agreement, then, in addition to any of the Company's other rights and remedies at law or in equity, the Company shall have the right to cease providing the consideration under Section 2 of this Agreement, and/or require you to repay any amounts previously received. All of the other terms of this Agreement will remain in effect. The exercise of your preserved rights under Section 11 will, in no event, be considered a breach of your obligations under this Agreement.

15. Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with, or are exempt from, the Internal Revenue Code Section 409A and applicable guidance promulgated thereunder (collectively, "Section 409A"). Accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance with, or exempt from, Section 409A. In no event shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on you under Section 409A or any damages for failing to comply with Section 409A. For purposes of Section 409A, each payment in a series of installment payments under this Agreement shall be treated as a separate payment.

16. Miscellaneous

(a) This Agreement contains the entire agreement and understanding between you and the Company concerning the subject matter of this Agreement and supersedes any and all prior agreements or understandings (both written and oral) between you and the Company concerning the subject matter of this Agreement, except that your obligations under the Confidentiality Agreement and any other agreement(s) relating to non-competition, non-solicitation, non-disparagement, intellectual property, confidential information, and non-disclosure that you have signed for the benefit of the Company shall remain in full force and effect. This Agreement may only be modified by a written document signed by you and an authorized officer of the Company.

(b) This Agreement shall inure to the benefit of the Company and the other Released Parties and shall be binding upon the Company and its successors and assigns. This Agreement also shall inure to the benefit of, and be binding upon, you and your heirs, executors, administrators, trustees and legal representatives. This Agreement is personal to you and you may not assign or delegate your rights or duties under this Agreement, and any such assignment or delegation will be null and void.

(c) The provisions of this Agreement are severable. If any provision in this Agreement is held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement will remain in full force and effect and the invalid, illegal and unenforceable provision shall be reformed and construed so that it will be valid, legal and enforceable to the maximum extent permitted by law.

(d) The Company and you shall each bear their own costs, fees (including, without limitation, attorneys' fees) and expenses in connection with the negotiation, preparation and execution of this Agreement.

(e) The failure of the Company to seek enforcement of any provision of this Agreement in any instance or for any period of time shall not be construed as a waiver of such provision or of the Company's right to seek enforcement of such provision in the future.

(f) This Agreement will be governed and interpreted under the laws of the State of Washington, without giving effect to choice of law principles. The Company and you irrevocably consent to the jurisdiction of the federal and state courts in the State of Washington for the resolution of any disputes arising under or respect to this Agreement.

(g) Given the full and fair opportunity provided to each party to consult with their respective counsel regarding the terms of this Agreement, ambiguities shall not be construed against either party by virtue of such party having drafted the subject provision.

(h) The headings in this Agreement are included for convenience of reference only and shall not affect the interpretation of this Agreement.

(i) This Agreement may be executed in one or more counterparts (including by facsimile or electronic .pdf submission), each of which shall be deemed an original, and all of which shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by telecopy, portable document format (.pdf) or otherwise) to the other party, it being understood that both parties need not sign the same counterpart.

15. Opportunity to Review. You represent and warrant that you:

- have had sufficient opportunity to consider this Agreement;
- have carefully read this Agreement and understand all of its terms;
- are not incompetent and have not had a guardian, conservator or trustee appointed for you;
- have entered into this Agreement of your own free will and volition and that, except for the promises expressly made by the Company in this Agreement, no other promises or Agreements of any kind have been made to you by any person or entity whatsoever to cause you to sign this Agreement;
- understand that you are responsible for your own attorneys' fees and costs;

- have been advised and encouraged by the Company to consult with your own independent counsel before signing this Agreement;
- were given at least 21 days to review this Agreement before signing it and understood that you were free to use as much or as little of the review period as you wished or considered necessary before deciding to sign it; and
- understand that this Agreement is valid, binding, and enforceable against you and the Company according to its terms.

16. Time for Acceptance. Notwithstanding in this Agreement to the contrary, this Agreement may only be accepted by you within three (3) business days following the Separation Date. You agree that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original twenty-one (21)-day consideration period.

[signature page follows]

Agreed to and accepted on this date: August 6, 2025.

EMPLOYEE:

/s/ Peter Conley
Peter Conley

Agreed to and accepted on this 6th day of August, 2025.

COMPANY:
Know Labs, Inc.

By: */s/ Ronald Erickson*
Ronald Erickson

EXHIBIT 10.3

USBC, Inc.

Employment Agreement

This Employment Agreement (this "Agreement"), dated as of the 6th day of August, 2025, is made by and between USBC, Inc., a Nevada corporation (the "Company"), and Gregory Kidd ("Executive"). The Company and Executive are together referred to herein as the "Parties" or individually referred to as a "Party".

WHEREAS, the Company desires to retain Executive as its Chief Executive Officer and Executive desires to accept such position, effective upon the date of the consummation of the transactions described in that certain Securities Purchase Agreement dated as of June 5, 2025, by and among the Company and Goldeneye 1995 LLC, a Nevada limited liability company (the "Transaction Date");

NOW, **THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

(a) Term. Effective on the Transaction Date, the Company shall employ Executive pursuant to the terms of this Agreement, and Executive shall remain in the employ of the Company until terminated by either Party pursuant to Section 3 of this Agreement, for the period and in the position(s) set forth in this Section 1, and subject to the other terms and conditions herein. The period during which Executive is employed by the Company hereunder is hereinafter referred to as the "Term."

(b) Positions. During the Term, Executive shall serve as Chief Executive Officer of the Company and have such duties and responsibilities as are customary for such position and as the Company shall reasonably require. At the Company's request, Executive shall during the Term serve the Company and its subsidiaries in such other capacities in addition to the foregoing as the Company shall designate. In the event that Executive serves in any one or more of such additional capacities, Executive's compensation shall not be increased on account of such additional services.

(c) Duties. During the Term, Executive shall devote sufficient working time, attention and efforts to the business and affairs of the Company except during any paid vacation or other excused absence periods. Executive shall not engage in outside business activities (including serving on outside boards or committees) during the Term without the prior written consent of the Board of Directors of the Company (the "Board") (which the Board may grant or withhold); *provided* that Executive shall be permitted to: (i) manage Executive's personal, financial, and legal affairs; and (ii) act or serve as a director, trustee, committee member, or principal of any type of civic or charitable organization, in each case, subject to compliance with this Agreement and the Company policies, as in effect from time to time, and provided that such activities do not conflict with or materially interfere with, individually or in the aggregate, Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to observe and comply with the rules and policies of the Company as adopted by the Company from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive.

(d) Location. The Executive may work from Executive's residence or such other location as is reasonably acceptable to the Company. From time to time Executive may be required to travel in the proper conduct of Executive's duties and responsibilities under this Agreement and Executive agrees to do so.

2. Compensation and Related Matters.

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at the rate of $1 per annum, subject to customary withholdings and authorized deductions, which shall be paid in accordance with the customary payroll practices of the Company. Such annual base salary shall be reviewed from time to time by the Board and/or the Compensation Committee thereof (the "Committee") (such annual base salary, as it may be adjusted from time to time, the "Annual Base Salary").

(b) Bonus. Executive may be entitled to bonuses from time to time as determined by the Board or the Committee in their sole discretion (the "Bonus"). Bonuses, if any, will be paid as soon as practicable after they have been determined, but not later than thirty (30) days after they are determined, provided that Executive is still employed by the Company at the time of payment.

(c) Equity Awards. Executive may be eligible for grants of equity awards (the "Equity Awards"), subject to approval by the Board and/or Committee, and such vesting and other terms and conditions of the Company equity plan under which the applicable Equity Awards are granted and an award agreement to be provided by the Company and entered into with Executive with respect to each Equity Award.

(d) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements as the Company may from time to time offer, consistent with the terms thereof and as such plans, programs and arrangements may be amended from time to time. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any, or any particular, plan or benefit and the Company reserves the right to change, alter, or terminate any benefit plan or benefit at any time (including, without limitation, contribution levels).

(e) Paid Time Off. During the Term, Executive shall be entitled to paid time off in accordance with the Company policies, as in effect from time to time.

(f) Business Expenses. During the Term, the Company shall reimburse Executive for reasonable and necessary out-of-pocket business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement policy, as in effect from time to time.

3. At-Will Employment.

The Company and Executive acknowledge that Executive's employment is and shall continue to be "at-will." This means that such employment is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, for any or no particular reason or cause. It also means that Executive's job duties, title, and responsibility and reporting level, work schedule, compensation, and benefits, as well as the Company's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time as determined by the Company (subject to any ramification such changes may have under Section 4 below, or any other governing documents of the Company or its subsidiaries or Affiliates). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a representative of the Company duly authorized by the Board. If Executive's employment terminates for any lawful reason, Executive shall not be entitled to any payments, benefits, damages, awards, or other compensation other than as provided in Section 4 of this Agreement.

4. Obligations upon a Termination of Employment; Severance.

(a) Executive's Obligations upon Termination.

(i) *Cooperation*. At any time following termination of employment for any reason, Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during or in connection with Executive's employment hereunder; provided that the Company shall reimburse Executive for Executive's reasonable, pre-approved out of pocket costs and expenses.

(ii) *Return of Company Property*. Executive hereby acknowledges and agrees that all Company Property and equipment furnished to, or prepared by, Executive in the course of, or incident to, Executive's employment, belongs to the Company and with respect to physical property shall be promptly returned to the Company upon termination of Executive's employment and at such other time(s) as may be determined by the Company (and will not be kept in Executive's possession or delivered to anyone else), and with respect to digital property shall be permanently deleted. Executive further acknowledges and agrees the Executive shall provide all Company access codes, passcodes, and administrator rights to the Company at any time during or after Executive's employment on demand. For purposes of this Agreement, "Company Property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof (including computer files), keys, building card keys, company credit cards, computer hardware and software, laptop computers, tablets, docking stations, cellular and portable telephone equipment, and all other proprietary information relating to the business of the Company or its subsidiaries or Affiliates. Following termination of employment, except as may be required by applicable law Executive shall not retain any written or other tangible material containing any proprietary information of the Company or its subsidiaries or Affiliates.

(b) Company Obligations upon Termination for any reason. Upon termination of Executive's employment for any reason, Executive (or Executive's estate, as applicable) shall be entitled to receive: (i) Executive's Annual Base Salary earned through the date of termination, but not yet paid to Executive; (ii) any expenses owed to Executive pursuant to Section 2(f) above; and (iii) any amounts owed to Executive with respect any vested employee benefit plans, programs, arrangements or policies of the Company or any subsidiary or Affiliate, in each case, which amounts shall be payable in accordance with the terms and conditions of such plans, programs, arrangements, policies or other agreements (collectively, the "Accrued Obligations"). Except as otherwise expressly required by law or as specifically provided herein, all of Executive's rights to salary, severance benefits, bonuses and other compensatory amounts or benefits hereunder (if any) shall cease upon the termination of Executive's employment hereunder.

(c) Involuntary Termination without Cause or Resignation with Good Reason prior to a Change in Control. If Executive's employment is terminated by the Company without Cause or Executive resigns from employment with the Company with Good Reason, in each case prior to a Change in Control (as defined in Section 6(d) below), then, subject to Executive's execution and delivery to the Company and non-revocation (if applicable) of a waiver and release of claims in a form satisfactory to the Company (the "Release") that becomes effective and irrevocable within sixty (60) days of the Date of Termination (or such earlier period as requested by the Company at the time of termination of employment) and Executive's continued compliance with the terms and conditions of this Agreement (including, without limitation, Section 5 below) and the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 4(b) above, the following:

(i) cash severance equal to twelve (12) months of Executive's then-existing Annual Base Salary, payable in accordance with the Company's normal payroll practices, less applicable withholdings and deductions over the twelve (12) month period following the Date of Termination (such period, the "Severance Period"), commencing with the pay period following the date that the Release becomes effective; provided, however, that if the period for review and revocation of the Release spans two taxable years, such payments shall commence on the later of (i) the first pay period ending in the second of such taxable years or (ii) the first pay period after the Release becomes effective; and provided further that the first installment shall include any payments that would have been made had such payments commenced with the pay period ending immediately following the Date of Termination;

(ii) an amount equal to any earned annual Bonus for the fiscal year of the Company preceding the Date of Termination, payable in a lump sum within ten (10) days following the later of (i) the effectiveness of the Release, and (ii) the date that bonuses for such year are paid to other Executives of the Company; and

(iii) if Executive timely and properly elects health continuation coverage under the Company's group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall promptly reimburse Executive on a monthly basis for the difference between the monthly COBRA premium paid by Executive for Executive and Executive's dependents and the monthly premium amount paid for such coverage by similarly situated active executives. Executive shall be eligible to receive such reimbursement until the earliest of: (x) the twelve (12) month anniversary of Executive's Date of Termination; (y) the date Executive is no longer eligible to receive COBRA continuation coverage; and (z) the date on which Executive obtains substantially similar coverage from another employer or other

source. Notwithstanding the foregoing, if the Company's payments under this Section 4(c)(iii) would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the Company may provide such coverage in a manner as is necessary to comply with the ACA.

(d) Involuntary Termination Without Cause or Resignation with Good Reason on or following a Change in Control. If Executive's employment is terminated by the Company without Cause or Executive resigns from employment with the Company with Good Reason, in each case on or within twenty-four (24) months following a Change in Control (as defined in Section 6(d) below), then, subject to Executive's execution and delivery to the Company and non-revocation (if applicable) of a Release that becomes effective and irrevocable within sixty (60) days of the Date of Termination (or such earlier period as requested by the Company at the time of termination of employment) and Executive's continued compliance with the terms and conditions of this Agreement (including, without limitation, Section 5 below) and the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 4(b) above, the following:

(i) a lump sum cash severance payment in an amount equal to 1.5 times the sum of (x) Executive's Annual Base Salary, and (y) Executive's annual bonus for the most recent fiscal year of the Company (or target annual bonus for such year if greater), which sum shall be paid in the pay period following the date that the Release becomes effective; provided, however, that if the period for review and revocation of the Release spans two taxable years, such payment shall be made on the later of (i) the first pay period ending in the second of such taxable years or (ii) the first pay period after the Release becomes effective;

(ii) an amount equal to any earned annual Bonus for the fiscal year of the Company preceding the Date of Termination, payable in a lump sum within ten (10) days following the later of (i) the effectiveness of the Release, and (ii) the date that bonuses for such year are paid to other Executives of the Company; and

(iii) the Company shall provide Executive with continued healthcare coverage in accordance with Section 4(c)(iii) hereof except that "eighteen (18)" shall replace "twelve (12)" therein.

(e) No Other Severance. The severance payments and benefits provided to Executive pursuant to Section 4(c) or 4(d) hereof are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program, and Executive acknowledges and agrees that Executive shall have no rights or entitlements to any benefits or payments under any such plan, policy or program.

(f) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 9 of this Agreement will survive the termination of Executive's employment and the termination of the Term for any reason.

5. Restrictive Covenants.

(a) Confidentiality. Executive agrees, during Executive's employment with the Company and at all times thereafter, not to, directly or indirectly, use (for Executive's own benefit or another Person) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential or trade secret information, except as may be necessary for the performance of Executive's Company duties or as expressly authorized in writing by the Company.

(i) For purposes of this Agreement, "Confidential Information" means confidential non-public or proprietary information or trade secrets disclosed to or learned by Executive as a consequence of Executive's employment or service with the Company, including without limitation any third-party information that the Company treats as confidential, and any information learned by Executive as a result of Executive's employment or service with the Company. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature: the set-up of the Company's production techniques, designs, concepts, drawings, ideas, intellectual property, inventions, specifications, models, research, study results, formulas, development, processes, procedures, trade secrets, know-how, new product or new technology information, designs, product designs, customer names and other information related to customers, employee information, pricing policies, financial information, business plans, computer programs (whether in source code or object code), strategies, methods, systems, inventions, production method and sources, marketing and sales information, information received from others that the Company is obligated to treat as confidential or proprietary, (ii) statements (financial or otherwise), organizational and governing documents, software programs, applications and data bases, lists of (and agreements, contracts, terms, arrangements and negotiations with) existing or potential counterparties (including, without limitation, lenders, investors, customers, lessors, landlords, employees, sales representatives, independent or other contractors and other commercial partners and service providers), analyses, reports, studies and research (industry, market, product or otherwise), forecasts, projections, pipelines, budgets, memoranda, compilations, and (iii) and any other technical, scientific, medical, operating, financial and other business information that has commercial value, relating to the Company, its business, potential business, operations or finances, or the business of the Company's customers, of which Executive may have acquired or developed knowledge or of which Executive may in the future acquire or develop knowledge of during Executive's work for the Company, or from Executive's colleagues while working for the Company.

(ii) Confidential Information shall not include information that (a) is now or later becomes publicly available or generally known to the industry (other than as a result of a breach of this Agreement), (b) is independently developed by Executive outside the scope of Executive's employment and without reference to any Confidential Information; (c) is lawfully obtained from a third party outside the scope of Executive's employment without restriction on use or disclosure or (d) information that is otherwise required to be and has been disclosed under applicable laws, regulations or judicial or regulatory process, or upon the request of a regulatory authority. Executive agrees that Executive will maintain at Executive's workstation or other places under Executive's control only such Confidential Information that Executive has a current need to know for Company business purposes, and that Executive will return to the Company or otherwise properly dispose of all Confidential Information once Executive's need to know no longer exists. Executive agrees that Executive will not make copies (electronic or otherwise) of information unless Executive has a need for such copies in connection with Executive's work at the Company.

(b) Non-Solicitation of Company Personnel. During the Restricted Period and in the Restricted Area, Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other individual or entity: (i) employ or hire any Company Personnel in any capacity (whether as an employee, contractor, consultant or otherwise); (ii) solicit or attempt to solicit for employment or hire any Company Personnel in any capacity; (iii) entice or induce any Company Personnel to leave his or her or their employment or service with the Company; or (iv) otherwise negatively interfere with the Company's relationship with any Company Personnel. Notwithstanding the foregoing, a general solicitation or advertisement for job opportunities that Executive may publish without targeting any Company Personnel shall not be considered a violation of this Section 5(b).

(c) Non-Solicitation of Business Partners. During the Restricted Period and in the Restricted Area, Executive will not, except as expressly authorized in writing by the Company, directly or indirectly, whether as employee, owner, sole proprietor, partner, shareholder, director, member, consultant, agent, founder, co-venture partner or otherwise, do anything to divert or attempt to divert from the Company any business of any kind, including, without limitation, solicit or interfere with any of the Company's Business Partners with whom Executive performed direct, substantive services during Executive's employment or as to whom Executive had access to Confidential Information where Executive's use or disclosure of Confidential Information could disadvantage the Company. This restriction in this Section 5(c) shall not (i) apply with respect to any Business Partner with whom Executive can demonstrate Executive had a pre-existing relationship prior to Executive's employment with the Company, nor (ii) directly or indirectly prohibit the acceptance or transaction of business with any of the Company's Business Partners.

(d) Non-Competition. During the Restricted Period and in the Restricted Area, Executive shall not, except as expressly authorized in writing by the Company, directly or indirectly, become employed by, engage with (as a consultant, advisor or otherwise), invest in or otherwise own or participate in any Competitive Business in any capacity in which the Company's Confidential Information of which Executive has or gains knowledge or to which Executive has access during Executive's employment would reasonably be considered useful to the competitor or would enable the other third party to become a competitor of the Company, provided, however, that Executive may own, as a passive investor, publicly-traded securities of any corporation that competes with the business of the Company so long as such securities do not, in the aggregate, constitute more than two percent (2%) of any class of outstanding securities of such corporations.

(e) Non-Disparagement. Executive agrees that Executive shall not, at any time during or after the Term, disparage the Company, any of its products, services or practices, or any of its directors, officers, employees, customers, agents, representatives, or equity holders and their respective Affiliates, either orally or in writing, at any time; *provided*, *that* Executive may confer in confidence with Executive's legal representatives and make truthful statements as required by law or upon the request of any regulatory authority. For avoidance of doubt, this Section 5(e) does not, in any way, restrict or impede Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order, including Executive's right to engage in protected activity under the National Labor Relations Act, government whistleblower programs and whistleblowing statutes or regulations.

(f) Invention Assignment. Executive (i) will promptly disclose all Inventions (as defined below), in full detail, to persons authorized by the Company, and (ii) will not disclose any Invention to anyone other than persons authorized by the Company or by law, without the Company's express prior written instruction to do so. All Inventions will be deemed "work made for hire" as that term is used in the U.S. Copyright Act and belong solely to the Company from conception. Executive hereby expressly disclaims all interest in all Inventions. To the extent that title to any Invention or any materials comprising or including any Invention is found not be a "work made for hire" as a matter of law, Executive hereby irrevocably assigns to the Company all of Executive's right, title, and interest to that Invention. At any time during or after the Term that the Company requests, Executive will sign whatever written documents of assignment are necessary to formally evidence Executive's irrevocable assignment to the Company of any Invention. At all times during or after the Term, Executive will assist the Company in obtaining, perfecting, maintaining and renewing patent, copyright, trademark, and other appropriate protection for any Invention, in the United States and in any other country, at the Company's expense. In the event that the Company is unable to secure Executive's signature on any such document, Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf, to sign and file any such document and to do all other lawful acts to further the prosecution, issuance and enforcement of patents, copyrights or other rights or protections with the same force and effect as if Executive had signed such documents. To the extent any copyrights are assigned under this Agreement, Executive hereby irrevocably waives to the extent permitted by applicable law, any and all claims Executive may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Inventions and all intellectual property rights therein.

(i) For purposes of this Agreement, "Inventions" means: (A) contributions and inventions, discoveries, creations, developments, improvements, works of authorship and ideas (whether or not they are patentable or copyrightable) of any kind that are or were, since the date of commencement of Executive's employment with the Company, conceived, created, developed or reduced to practice by Executive, alone or with others, while employed by the Company that are either: (1) conceived during regular working hours or at Executive's place of work, whether located at Company, Affiliate or customer facilities, or at Executive's own facilities; or (2) regardless of whether they are conceived or made during regular working hours or at Executive's place of work, are directly or indirectly related to the Company's Business or potential business, result from tasks assigned to Executive by the Company, or are conceived or made with the use of the Company's resources, facilities or materials; and (B) any and all patents, patent applications, copyrights, trade secrets, trademarks, domain names and other intellectual property rights, worldwide, with respect to any of the foregoing.

(ii) The term "Inventions" specifically excludes any invention that: (i) by applicable law, Executive cannot be required to assign; (ii) Executive has conceived, created or developed prior to commencement of the Term and that is disclosed in writing to the Company within ten (10) days following commencement of the Term; or (iii) Executive developed entirely on Executive's own time without using any Company equipment, supplies, facilities or trade secret information, unless (A) the invention related at the time of conception or reduction to practice of the invention to (x) the Company's Business, or (y) the Company's actual or demonstrably anticipated research or development, or (B) the invention results from any work performed by Executive for the Company.

(iii) Nevertheless, if Executive believes any invention, work of authorship or other matter created by Executive during the Term is not within the definition of Inventions, Executive will disclose it to the Company so that the Company may make an assessment of whether it falls within the definition of Invention within this Agreement.

(g) Publicity. Executive hereby irrevocably consents to any and all uses and displays, by the Company and its agents, representatives and licensees, of Executive's name, voice, likeness, image, appearance, and biographical information in, on or in connection with any pictures, photographs, audio and video recordings, digital images, websites, television programs and advertising, other advertising and publicity, sales and marketing brochures, books, magazines, other publications, CDs, DVDs, tapes, and all other printed and electronic forms and media throughout the world, at any time during or after the Term, for all legitimate commercial and business purposes of the Company ("Permitted Uses") without further consent from or royalty, payment, or other compensation to Executive. Executive hereby forever waives and releases the Company and its directors, officers, employees, and agents from any and all claims, actions, damages, losses, costs, expenses, and liability of any kind, arising under any legal or equitable theory whatsoever at any time during or after the Employment Term, arising directly or indirectly from the Company's and its agents', representatives', and licensees' exercise of their rights in connection with any Permitted Uses.

(h) Tolling Period. Without limiting the Company's ability to seek other remedies available at law or in equity, if Executive violated any of the provisions of Section 5, the Restricted Period shall be extended by one day with respect to each covenant for each day that Executive is in violation of the provisions of such covenant, so as to give the Company the full benefit of the bargained-for length of forbearance.

(i) Advance Notice. As soon as reasonably practicable following acceptance of any other employment or service relationship during the Restricted Period following Executive's termination of employment (and in any event at least ten (10) business days prior to commencement of such relationship), Executive shall provide written notice of such relationship to the Company.

(j) Interpretation. In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action. For purposes of this Section 5 and the defined terms referenced herein, references to the "Company" shall include the Company and its subsidiaries and controlled Affiliates.

(k) Acknowledgements. Executive acknowledges and agrees that the covenants contained in this Section 5: (i) are necessary to protect the Company's legitimate interests, including, without limitation, trade secrets, confidential and proprietary information and goodwill, and are no greater than required to protect such interests, (ii) are not unduly harsh or oppressive and do not impose undue hardship on Executive, and (iii) are reasonable, including, without limitation, in duration and scope. Executive recognizes and acknowledge that a breach of the covenants contained in this Section 5 will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in this Section 5, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to seek specific performance and injunctive relief (without requirement to post a bond or other security). Executive further acknowledge and agrees that Executive received this Agreement no later than when Executive accepted the Company's offer of continued employment.

6. Certain Definitions. For purposes of this Agreement:

(a) "Affiliate" shall mean, with respect to any particular Person means (a) any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise, (b) any Person that is an officer, partner, member or trustee of, or serves in a similar capacity with respect to, the specified Person and (c) any member of the immediate family of the specified Person (which shall include parents, children and siblings, both by-blood and in-law).

(b) "Business Partner" means any of the Company's then-current customers, clients, members, suppliers, or business partners or relations.

(c) "Cause" shall mean any of the following:

(i) Executive's commission, indictment for or conviction of, or plea of guilty or nolo contendere to a felony or a crime involving dishonesty, fraud or moral turpitude, or Executive engaging in any embezzlement, financial misappropriation or fraud, related to his employment with, or provision of services to, the Company or any subsidiary or Affiliate;

(ii) Executive's breach of Executive's obligations to the Company or any of its subsidiaries or Affiliates or pursuant to this Agreement (including, but not limited to, Section 5 hereof or any other restrictive covenant obligation);

(iii) Executive's misconduct in connection with Executive's performance of his duties for the Company or any subsidiary or Affiliate, which is harmful to the Company or any subsidiary or Affiliate;

(iv) Executive's violation of any U.S. federal securities laws, rules or regulations;

(v) Executive's violation of any Company policy or any other policy or procedure of a subsidiary or Affiliate of the Company;

(vi) Executive's habitual use of alcohol or drugs that materially impairs ability to perform duties;

(vii) Executive's gross negligence which is harmful to the Company or any of its subsidiaries or Affiliates;

(viii) Executive's commission of any act of sexual or other harassment or discrimination; or

(ix) Executive's failure (other than due to illness or injury) to perform Executive's duties and responsibilities to the Company or Executive's refusal to follow the reasonable and lawful directive of the Company related to performance of Executive's duties, which directive is consistent with normal business practice.

With respect to clauses (ii), (iii), (v), (vii) or (ix), Executive will be given thirty (30) days to cure such event or condition giving rise to such termination for Cause (to the extent the Company deems such event or condition curable).

(d) "Change in Control" be deemed to have occurred if any one of the following events shall occur, in a single transaction or in a series of related transactions:

(i) Any Person becomes the beneficial owner (as defined in Rule 13(d)-3 under the Exchange Act) of shares of common stock of the Company representing more than 50% of the total number of votes that may be cast for the election of directors of the Company; or

(ii) The consummation of any (a) merger, consolidation, acquisition, reorganization, statutory share exchange or other business combination in which either the Company or any of its subsidiaries is a party, (b) sale or other disposition of all or substantially all of the Company's assets, in one or a series of related transactions, or (c) a combination of the foregoing transactions (each, a "Transaction"), other than a Transaction (A) involving only the Company and one or more of its now or hereafter existing subsidiaries, (B) immediately following which the shareholders of the Company immediately prior to the Transaction continue to hold a majority of the voting power in the resulting or surviving entity, or (C) following which the Incumbent Directors (as defined below) at the time of the execution of the initial agreement or other action of the Board providing for such Transaction continue to constitute a majority of the directors of the resulting or surviving entity; or

(iii) Within any twelve (12)-month period beginning on or after the Transaction Date, the persons who were directors of the Company immediately before the beginning of such period (the "Incumbent Directors") shall cease (for any reason other than death) to constitute at least a majority of the Board (or the board of directors of any successor to the Company); provided that any director who was not a director as of the date hereof shall be deemed to be an Incumbent Director if such director was elected to the Board by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors either actually or by prior operation of the foregoing unless such election, recommendation or approval was the result of an actual or threatened election contest of the type contemplated by Rule 14a-11 promulgated under the Exchange Act or any successor provision; or

(iv) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(v) Any other transaction or event that the Board determines is a Change in Control in its sole discretion.

Notwithstanding the foregoing, no event or condition shall constitute a Change in Control to the extent that, if it were, a penalty tax would be imposed under Section 409A of the Code; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (e.g., if applicable, in respect of vesting without an acceleration of distribution) without causing the imposition of such penalty tax.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder.

(f) "Company Personnel" shall mean means any individual or entity that is or was at any time during the six (6)-month period prior to Executive's termination of employment, employed or engaged (whether as an employee, consultant, independent contractor or in any other capacity) by the Company or any of its subsidiaries or Affiliates.

(g) "Competitive Business" means any business or organization (whether or not for profit) that is engaged in the same or similar business(es) in which the Company is or was engaged during Executive's employment with the Company, including any business in which the Company has taken steps to engage in based on discussions or actions taken by or among senior management or the Board.

(h) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(i) "Good Reason" shall mean the occurrence of any of the following without Executive's prior written consent:

(i) a material diminution of Executive's authorities, duties, responsibilities;

(ii) a material reduction in Base Salary unless a similar reduction applies to all similarly-situated executives of the Company;

(iii) a material breach of this Agreement by the Company; or

(iv) the relocation of Executive's principal office location to a location that is more than fifty (50) miles from the location on the Transaction Date.

Notwithstanding the foregoing, Executive's employment shall not be terminated with Good Reason unless (w) Executive provides written notice to the Company of the event or condition alleged to constitute Good Reason within thirty (30) days after Executive first becomes aware that such event or condition has occurred or arisen, (x) such notice details the basis of such termination, (y) the Company reasonably fails to cure such event or condition within thirty (30) days after receipt of such notice, and (z) if the Company fails to reasonably cure such event or condition

within such thirty (30) day period, Executive actually terminates his or her employment within thirty (30) days following the expiration of such thirty (30) day cure period.

(j) "Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association or other entity or a governmental entity.

(k) "Restricted Period" shall mean the period of Executive's employment and twelve (12) months following the termination of Executive's employment for any reason.

(l) "Restricted Area" means anywhere in the world where Executive's use or disclosure of Confidential Information could disadvantage the Company.

7. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any of its subsidiaries or Affiliates or to any successor to all or substantially all of the business or the assets of the Company or any subsidiary or Affiliate thereof (by merger or otherwise), provided that such successor expressly agrees to perform each and all obligations of the Company set forth herein. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective permitted successors and assigns. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and any applicable employee benefit plan, program, or arrangement, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

8. Parachute Payments.

(a) Notwithstanding any other provisions of this Agreement or any other agreement between the Parties, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 above, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") or would not be deductible by the Company or any of its subsidiaries or Affiliates pursuant to Section 280G of the Code (the "Deduction Loss"), then the Total Payments shall be reduced (in the order provided in Section 8(b) below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments and the Deduction Loss, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments). Executive shall execute any waiver or other documentation and take all other actions requested by the Company to acknowledge the reduction pursuant to this Section 8(a).

(b) The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; *provided*, in case of subclauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(c) The Company will make all determinations regarding the application of this Section 8, which determinations shall be final, binding and conclusive the Company, Executive, and all other interested Persons.

In the event it is later determined that to implement the objective and intent of this Section 8, (i) a greater reduction in the Total Payments should have been made, the excess amount shall be returned promptly by Executive to the Company or (ii) a lesser reduction in the Total Payments should have been made, the excess amount shall be paid or provided promptly by the Company to Executive, except to the extent the Company reasonably determines would result in imposition of a penalty tax under Section 409A.

9. Miscellaneous Provisions.

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Nevada without reference to the principles of conflicts of law of the State of Nevada or any other jurisdiction that would result in application of the laws of a jurisdiction other than the State of Nevada, and where applicable, the laws of the United States.

(b) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(c) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and sent by email or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to:

USBC, Inc.

619 Western Avenue, Suite 610
Seattle, WA 98104
ATTN: Chief Executive Officer and Chief Financial Officer

Or to such other address for the Company as is set forth in the most recent publicly filing of the Company.

With a copy (which shall not constitute notice) to:
Lowenstein Sandler LLP
1251 6th Ave 17th Floor
New York, New York 10020
Telephone: 212.204.8697
Attention: Daniel Forman; Annie Nazarian Davydov
Email: dforman@lowenstein.com; anazarian@lowenstein.com

(ii) If to Executive, to the last address that the Company has in its personnel records for Executive;

or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile or PDF shall be deemed effective for all purposes.

(e) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral; *provided* that nothing in this Agreement shall supersede, modify or otherwise affect any restrictive covenant, invention assignment or confidentiality obligations imposed under any Company policy or any other agreement between Executive and the Company or any of its Affiliates, and in the event of any conflict between any such restrictive covenant, invention assignment or confidentiality obligation and this Agreement, the provisions which are broadest (including, without limitation, with respect to scope and duration), or otherwise most favorable to the Company, shall control. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(f) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized representative of Company. By an instrument in writing similarly executed, Executive or a duly authorized representative of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(g) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections, or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any", "all", "each", or "every" means "any and all", and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein", "hereof", "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Persons referred to may require. All determinations, interpretations, exercises of authority, or similar rights or actions by the Board or the Company hereunder shall be made by the Board or the Company, as applicable, in its sole and absolute discretion.

(h) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the Term, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(i) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges that the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(j) Whistleblower Protections and Defend Trade Secrets Act Disclosure. Notwithstanding anything to the contrary contained herein, (i) nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) this Agreement is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with

Executive's protected rights under federal, state or local law to, without notice to the Company: (A) communicate or file a charge with or provide information to a government regulator, such as, by way of example and not limitation, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization; (B) participate in an investigation or proceeding conducted by a government regulator; (C) receive an award paid by a government regulator for providing information; or (D) otherwise engage in activity protected by applicable whistleblower laws. Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(k) Recoupment of Erroneously Awarded Compensation. In accordance with the Nasdaq Stock Exchange and New York Stock Exchange listing standards and the requirements thereunder, the Company has adopted a clawback policy (the "Clawback Policy"). Executive acknowledges and agrees that as set forth in such Clawback Policy: (i) Executive shall be bound by and abide by the terms of the Clawback Policy as it currently exists, if any; (ii) if no Clawback Policy in currently in place, one may be adopted in the future and the Executive shall be bound by and abide by such terms of the Clawback Policy as adopted, (iii) the Clawback Policy may be amended or restated from time to time, and Executive shall be bound by and abide by the terms of the Clawback Policy as it may change over time; (iv) Executive shall cooperate and shall promptly return any incentive-based compensation that the Company determines is subject to recoupment under the Clawback Policy; and (v) any incentive-based or other compensation paid to Executive under any agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required by such law, government regulation or stock exchange listing requirement. The Board will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

(l) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement or any other arrangement between the Parties comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A. If the Company determines that any provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A, the Company may (but is not obligated to), take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service").

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) *Expense Reimbursements.* To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred; *provided*, that Executive submits Executive's reimbursement request in accordance with applicable Company policies as in effect from time to time (if any), the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A.

(vi) *Release*. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of Executive's termination of employment are subject to Executive's execution and delivery of a Release: (A) if Executive fails to execute the Release on or prior to the Release Expiration Date or timely revokes Executive's acceptance of the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release; and (B) in any case where Executive's Date of Termination and the Release Expiration Date (and any applicable revocation period) plus the first regularly scheduled payroll date thereafter fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes hereof, "Release Expiration Date" shall mean the date that is at least twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive or, in the event that Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is at least forty-five (45) days following such delivery date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive's termination of employment are delayed pursuant to this Section 9(n)(vi), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and does not revoke the Release (and the applicable revocation period has expired).

10. Prior Employment.

Executive represents and warrants that Executive's acceptance of continued employment with the Company has not breached, and the continued performance of Executive's duties hereunder will not breach, any duty owed by Executive to any prior employer or other Person. Executive further represents and warrants to the Company that (a) the continued performance of Executive's obligations hereunder will not violate any agreement between Executive and any other Person; (b) Executive is not bound by the terms of any agreement with any previous employer or other Person to refrain from competing, directly or indirectly, with the business of such previous employer or other Person that would be violated by Executive entering into this Agreement or providing continued services to the Company pursuant to the terms of this Agreement; and (c) Executive's continued performance of Executive's duties under this Agreement will not require Executive to, and Executive shall not, rely on in the continued performance of Executive's duties or disclose to the Company or any other Person or induce the Company in any way to use or rely on any trade secret or other confidential or proprietary information or material belonging to any previous employer of Executive.

11. Executive Acknowledgement.

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the 6th day of August, 2025.

USBC, Inc.

By: */s/ Kitty Payne*
Name: Kitty Payne
Title: Chief Financial Officer

EXECUTIVE

/s/ Gregory Kidd
Gregory Kidd

[Signature Page to Employment Agreement]

USBC, Inc.

Employment Agreement

This Employment Agreement (this "Agreement"), dated as of the 6th day of August, 2025, is made by and between USBC, Inc., a Nevada corporation (the "Company"), and Kitty Payne ("Executive"). The Company and Executive are together referred to herein as the "Parties" or individually referred to as a "Party".

WHEREAS, the Company desires to retain Executive as its Chief Financial Officer and Executive desires to accept such position, effective upon the date of the consummation of the transactions described in that certain Securities Purchase Agreement dated as of June 5, 2025, by and among the Company and Goldeneye 1995 LLC, a Nevada limited liability company (the "Transaction Date");

NOW, **THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

(a) Term. Effective on the Transaction Date, the Company shall employ Executive pursuant to the terms of this Agreement, and Executive shall remain in the employ of the Company until terminated by either Party pursuant to Section 3 of this Agreement, for the period and in the position(s) set forth in this Section 1, and subject to the other terms and conditions herein. The period during which Executive is employed by the Company hereunder is hereinafter referred to as the "Term."

(b) Positions. During the Term, Executive shall serve as Chief Financial Officer of the Company and have such duties and responsibilities as are customary for such position and as the Company shall reasonably require. At the Company's request, Executive shall during the Term serve the Company and its subsidiaries in such other capacities in addition to the foregoing as the Company shall designate. In the event that Executive serves in any one or more of such additional capacities, Executive's compensation shall not be increased on account of such additional services.

(c) Duties. During the Term, Executive shall devote sufficient working time, attention and efforts to the business and affairs of the Company except during any paid vacation or other excused absence periods. Executive shall not engage in outside business activities (including serving on outside boards or committees) during the Term without the prior written consent of the Board of Directors of the Company (the "Board") (which the Board may grant or withhold); *provided* that Executive shall be permitted to: (i) manage Executive's personal, financial, and legal affairs; and (ii) act or serve as a director, trustee, committee member, or principal of any type of civic or charitable organization, in each case, subject to compliance with this Agreement and the Company policies, as in effect from time to time, and provided that such activities do not conflict with or materially interfere with, individually or in the aggregate, Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to observe and comply with the rules and policies of the Company as adopted by the Company from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive.

(d) Location. The Executive may work from Executive's residence or such other location as is reasonably acceptable to the Company. From time to time Executive may be required to travel in the proper conduct of Executive's duties and responsibilities under this Agreement and Executive agrees to do so.

2. Compensation and Related Matters.

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at the rate of $320,000 per annum, subject to customary withholdings and authorized deductions, which shall be paid in accordance with the customary payroll practices of the Company. Such annual base salary shall be reviewed from time to time by the Board and/or the Compensation Committee thereof (the "Committee") (such annual base salary, as it may be adjusted from time to time, the "Annual Base Salary").

(b) Bonus. Executive may be entitled to bonuses from time to time as determined by the Board or the Committee in their sole discretion (the "Bonus"). Bonuses, if any, will be paid as soon as practicable after they have been determined, but not later than thirty (30) days after they are determined, provided that Executive is still employed by the Company at the time of payment.

(c) Equity Awards. Executive may be eligible for grants of equity awards (the "Equity Awards"), subject to approval by the Board and/or Committee, and such vesting and other terms and conditions of the Company equity plan under which the applicable Equity Awards are granted and an award agreement to be provided by the Company and entered into with Executive with respect to each Equity Award.

(d) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements as the Company may from time to time offer, consistent with the terms thereof and as such plans, programs and arrangements may be amended from time to time. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any, or any particular, plan or benefit and the Company reserves the right to change, alter, or terminate any benefit plan or benefit at any time (including, without limitation, contribution levels).

(e) Paid Time Off. During the Term, Executive shall be entitled to paid time off in accordance with the Company policies, as in effect from time to time.

(f) Business Expenses. During the Term, the Company shall reimburse Executive for reasonable and necessary out-of-pocket business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement policy, as in effect from time to time.

3. At-Will Employment.

The Company and Executive acknowledge that Executive's employment is and shall continue to be "at-will." This means that such employment is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, for any or no particular reason or cause. It also means that Executive's job duties, title, and responsibility and reporting level, work schedule, compensation, and benefits, as well as the Company's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time as determined by the Company (subject to any ramification such changes may have under Section 4 below, or any other governing documents of the Company or its subsidiaries or Affiliates). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a representative of the Company duly authorized by the Board. If Executive's employment terminates for any lawful reason, Executive shall not be entitled to any payments, benefits, damages, awards, or other compensation other than as provided in Section 4 of this Agreement.

4. Obligations upon a Termination of Employment; Severance.

(a) Executive's Obligations upon Termination.

(i) *Cooperation*. At any time following termination of employment for any reason, Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during or in connection with Executive's employment hereunder; provided that the Company shall reimburse Executive for Executive's reasonable, pre-approved out of pocket costs and expenses.

(ii) *Return of Company Property*. Executive hereby acknowledges and agrees that all Company Property and equipment furnished to, or prepared by, Executive in the course of, or incident to, Executive's employment, belongs to the Company and with respect to physical property shall be promptly returned to the Company upon termination of Executive's employment and at such other time(s) as may be determined by the Company (and will not be kept in Executive's possession or delivered to anyone else), and with respect to digital property shall be permanently deleted. Executive further acknowledges and agrees the Executive shall provide all Company access codes, passcodes, and administrator rights to the Company at any time during or after Executive's employment on demand. For purposes of this Agreement, "Company Property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof (including computer files), keys, building card keys, company credit cards, computer hardware and software, laptop computers, tablets, docking stations, cellular and portable telephone equipment, and all other proprietary information relating to the business of the Company or its subsidiaries or Affiliates. Following termination of employment, except as may be required by applicable law Executive shall not retain any written or other tangible material containing any proprietary information of the Company or its subsidiaries or Affiliates.

(b) Company Obligations upon Termination for any reason. Upon termination of Executive's employment for any reason, Executive (or Executive's estate, as applicable) shall be entitled to receive: (i) Executive's Annual Base Salary earned through the date of termination, but not yet paid to Executive; (ii) any expenses owed to Executive pursuant to Section 2(f) above; and (iii) any amounts owed to Executive with respect any vested employee benefit plans, programs, arrangements or policies of the Company or any subsidiary or Affiliate, in each case, which amounts shall be payable in accordance with the terms and conditions of such plans, programs, arrangements, policies or other agreements (collectively, the "Accrued Obligations"). Except as otherwise expressly required by law or as specifically provided herein, all of Executive's rights to salary, severance benefits, bonuses and other compensatory amounts or benefits hereunder (if any) shall cease upon the termination of Executive's employment hereunder.

(c) Involuntary Termination without Cause or Resignation with Good Reason prior to a Change in Control. If Executive's employment is terminated by the Company without Cause or Executive resigns from employment with the Company with Good Reason, in each case prior to a Change in Control (as defined in Section 6(d) below), then, subject to Executive's execution and delivery to the Company and non-revocation (if applicable) of a waiver and release of claims in a form satisfactory to the Company (the "Release") that becomes effective and irrevocable within sixty (60) days of the Date of Termination (or such earlier period as requested by the Company at the time of termination of employment) and Executive's continued compliance with the terms and conditions of this Agreement (including, without limitation, Section 5 below) and the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 4(b) above, the following:

(i) cash severance equal to twelve (12) months of Executive's then-existing Annual Base Salary, payable in accordance with the Company's normal payroll practices, less applicable withholdings and deductions over the twelve (12) month period following the Date of Termination (such period, the "Severance Period"), commencing with the pay period following the date that the Release becomes effective; provided, however, that if the period for review and revocation of the Release spans two taxable years, such payments shall commence on the later of (i) the first pay period ending in the second of such taxable years or (ii) the first pay period after the Release becomes effective; and provided further that the first installment shall include any payments that would have been made had such payments commenced with the pay period ending immediately following the Date of Termination;

(ii) an amount equal to any earned annual Bonus for the fiscal year of the Company preceding the Date of Termination, payable in a lump sum within ten (10) days following the later of (i) the effectiveness of the Release, and (ii) the date that bonuses for such year are paid to other Executives of the Company; and

(iii) if Executive timely and properly elects health continuation coverage under the Company's group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall promptly reimburse Executive on a monthly basis for the difference between the monthly COBRA premium paid by Executive for Executive and Executive's dependents and the monthly premium amount paid for such coverage by similarly situated active executives. Executive shall be eligible to receive such reimbursement until the earliest of: (x) the twelve (12) month anniversary of Executive's Date of Termination; (y) the date Executive is no longer eligible to

receive COBRA continuation coverage; and (z) the date on which Executive obtains substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's payments under this Section 4(c)(iii) would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the Company may provide such coverage in a manner as is necessary to comply with the ACA.

(d) Involuntary Termination Without Cause or Resignation with Good Reason on or following a Change in Control. If Executive's employment is terminated by the Company without Cause or Executive resigns from employment with the Company with Good Reason, in each case on or within twenty-four (24) months following a Change in Control (as defined in Section 6(d) below), then, subject to Executive's execution and delivery to the Company and non-revocation (if applicable) of a Release that becomes effective and irrevocable within sixty (60) days of the Date of Termination (or such earlier period as requested by the Company at the time of termination of employment) and Executive's continued compliance with the terms and conditions of this Agreement (including, without limitation, Section 5 below) and the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 4(b) above, the following:

(i) a lump sum cash severance payment in an amount equal to 1.5 times the sum of (x) Executive's Annual Base Salary, and (y) Executive's annual bonus for the most recent fiscal year of the Company (or target annual bonus for such year if greater), which sum shall be paid in the pay period following the date that the Release becomes effective; provided, however, that if the period for review and revocation of the Release spans two taxable years, such payment shall be made on the later of (i) the first pay period ending in the second of such taxable years or (ii) the first pay period after the Release becomes effective;

(ii) an amount equal to any earned annual Bonus for the fiscal year of the Company preceding the Date of Termination, payable in a lump sum within ten (10) days following the later of (i) the effectiveness of the Release, and (ii) the date that bonuses for such year are paid to other Executives of the Company; and

(iii) the Company shall provide Executive with continued healthcare coverage in accordance with Section 4(c)(iii) hereof except that "eighteen (18)" shall replace "twelve (12)" therein.

(e) No Other Severance. The severance payments and benefits provided to Executive pursuant to Section 4(c) or 4(d) hereof are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program, and Executive acknowledges and agrees that Executive shall have no rights or entitlements to any benefits or payments under any such plan, policy or program.

(f) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 9 of this Agreement will survive the termination of Executive's employment and the termination of the Term for any reason.

5. Restrictive Covenants.

(a) Confidentiality. Executive agrees, during Executive's employment with the Company and at all times thereafter, not to, directly or indirectly, use (for Executive's own benefit or another Person) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential or trade secret information, except as may be necessary for the performance of Executive's Company duties or as expressly authorized in writing by the Company.

(i) For purposes of this Agreement, "Confidential Information" means confidential non-public or proprietary information or trade secrets disclosed to or learned by Executive as a consequence of Executive's employment or service with the Company, including without limitation any third-party information that the Company treats as confidential, and any information learned by Executive as a result of Executive's employment or service with the Company. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature: the set-up of the Company's production techniques, designs, concepts, drawings, ideas, intellectual property, inventions, specifications, models, research, study results, formulas, development, processes, procedures, trade secrets, know-how, new product or new technology information, designs, product designs, customer names and other information related to customers, employee information, pricing policies, financial information, business plans, computer programs (whether in source code or object code), strategies, methods, systems, inventions, production method and sources, marketing and sales information, information received from others that the Company is obligated to treat as confidential or proprietary, (ii) statements (financial or otherwise), organizational and governing documents, software programs, applications and data bases, lists of (and agreements, contracts, terms, arrangements and negotiations with) existing or potential counterparties (including, without limitation, lenders, investors, customers, lessors, landlords, employees, sales representatives, independent or other contractors and other commercial partners and service providers), analyses, reports, studies and research (industry, market, product or otherwise), forecasts, projections, pipelines, budgets, memoranda, compilations, and (iii) and any other technical, scientific, medical, operating, financial and other business information that has commercial value, relating to the Company, its business, potential business, operations or finances, or the business of the Company's customers, of which Executive may have acquired or developed knowledge or of which Executive may in the future acquire or develop knowledge of during Executive's work for the Company, or from Executive's colleagues while working for the Company.

(ii) Confidential Information shall not include information that (a) is now or later becomes publicly available or generally known to the industry (other than as a result of a breach of this Agreement), (b) is independently developed by Executive outside the scope of Executive's employment and without reference to any Confidential Information; (c) is lawfully obtained from a third party outside the scope of Executive's employment without restriction on use or disclosure or (d) information that is otherwise required to be and has been disclosed under applicable laws, regulations or judicial or regulatory process, or upon the request of a regulatory authority. Executive agrees that Executive will maintain at Executive's workstation or other places under Executive's control only such Confidential Information that Executive has a current need to know for Company business purposes, and that Executive will return to the Company or otherwise properly dispose of all Confidential Information once

Executive's need to know no longer exists. Executive agrees that Executive will not make copies (electronic or otherwise) of information unless Executive has a need for such copies in connection with Executive's work at the Company.

(b) Non-Solicitation of Company Personnel. During the Restricted Period and in the Restricted Area, Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other individual or entity: (i) employ or hire any Company Personnel in any capacity (whether as an employee, contractor, consultant or otherwise); (ii) solicit or attempt to solicit for employment or hire any Company Personnel in any capacity; (iii) entice or induce any Company Personnel to leave his or her or their employment or service with the Company; or (iv) otherwise negatively interfere with the Company's relationship with any Company Personnel. Notwithstanding the foregoing, a general solicitation or advertisement for job opportunities that Executive may publish without targeting any Company Personnel shall not be considered a violation of this Section 5(b).

(c) Non-Solicitation of Business Partners. During the Restricted Period and in the Restricted Area, Executive will not, except as expressly authorized in writing by the Company, directly or indirectly, whether as employee, owner, sole proprietor, partner, shareholder, director, member, consultant, agent, founder, co-venture partner or otherwise, do anything to divert or attempt to divert from the Company any business of any kind, including, without limitation, solicit or interfere with any of the Company's Business Partners with whom Executive performed direct, substantive services during Executive's employment or as to whom Executive had access to Confidential Information where Executive's use or disclosure of Confidential Information could disadvantage the Company. This restriction in this Section 5(c) shall not (i) apply with respect to any Business Partner with whom Executive can demonstrate Executive had a pre-existing relationship prior to Executive's employment with the Company, nor (ii) directly or indirectly prohibit the acceptance or transaction of business with any of the Company's Business Partners.

(d) Non-Competition. During the Restricted Period and in the Restricted Area, Executive shall not, except as expressly authorized in writing by the Company, directly or indirectly, become employed by, engage with (as a consultant, advisor or otherwise), invest in or otherwise own or participate in any Competitive Business in any capacity in which the Company's Confidential Information of which Executive has or gains knowledge or to which Executive has access during Executive's employment would reasonably be considered useful to the competitor or would enable the other third party to become a competitor of the Company, provided, however, that Executive may own, as a passive investor, publicly-traded securities of any corporation that competes with the business of the Company so long as such securities do not, in the aggregate, constitute more than two percent (2%) of any class of outstanding securities of such corporations.

(e) Non-Disparagement. Executive agrees that Executive shall not, at any time during or after the Term, disparage the Company, any of its products, services or practices, or any of its directors, officers, employees, customers, agents, representatives, or equity holders and their respective Affiliates, either orally or in writing, at any time; *provided*, *that* Executive may confer in confidence with Executive's legal representatives and make truthful statements as required by law or upon the request of any regulatory authority. For avoidance of doubt, this Section 5(e) does not, in any way, restrict or impede Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order, including Executive's right to engage in protected activity under the National Labor Relations Act, government whistleblower programs and whistleblowing statutes or regulations.

(f) Invention Assignment. Executive (i) will promptly disclose all Inventions (as defined below), in full detail, to persons authorized by the Company, and (ii) will not disclose any Invention to anyone other than persons authorized by the Company or by law, without the Company's express prior written instruction to do so. All Inventions will be deemed "work made for hire" as that term is used in the U.S. Copyright Act and belong solely to the Company from conception. Executive hereby expressly disclaims all interest in all Inventions. To the extent that title to any Invention or any materials comprising or including any Invention is found not be a "work made for hire" as a matter of law, Executive hereby irrevocably assigns to the Company all of Executive's right, title, and interest to that Invention. At any time during or after the Term that the Company requests, Executive will sign whatever written documents of assignment are necessary to formally evidence Executive's irrevocable assignment to the Company of any Invention. At all times during or after the Term, Executive will assist the Company in obtaining, perfecting, maintaining and renewing patent, copyright, trademark, and other appropriate protection for any Invention, in the United States and in any other country, at the Company's expense. In the event that the Company is unable to secure Executive's signature on any such document, Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf, to sign and file any such document and to do all other lawful acts to further the prosecution, issuance and enforcement of patents, copyrights or other rights or protections with the same force and effect as if Executive had signed such documents. To the extent any copyrights are assigned under this Agreement, Executive hereby irrevocably waives to the extent permitted by applicable law, any and all claims Executive may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Inventions and all intellectual property rights therein.

(i) For purposes of this Agreement, "Inventions" means: (A) contributions and inventions, discoveries, creations, developments, improvements, works of authorship and ideas (whether or not they are patentable or copyrightable) of any kind that are or were, since the date of commencement of Executive's employment with the Company, conceived, created, developed or reduced to practice by Executive, alone or with others, while employed by the Company that are either: (1) conceived during regular working hours or at Executive's place of work, whether located at Company, Affiliate or customer facilities, or at Executive's own facilities; or (2) regardless of whether they are conceived or made during regular working hours or at Executive's place of work, are directly or indirectly related to the Company's Business or potential business, result from tasks assigned to Executive by the Company, or are conceived or made with the use of the Company's resources, facilities or materials; and (B) any and all patents, patent applications, copyrights, trade secrets, trademarks, domain names and other intellectual property rights, worldwide, with respect to any of the foregoing.

(ii) The term "Inventions" specifically excludes any invention that: (i) by applicable law, Executive cannot be required to assign; (ii) Executive has conceived, created or developed prior to commencement of the Term and that is disclosed in writing to the Company within ten (10) days following commencement of the Term; or (iii) Executive developed entirely on Executive's own time without using any Company equipment, supplies, facilities or trade secret information, unless (A) the invention related at the time of conception or reduction to practice of the invention to

(x) the Company's Business, or (y) the Company's actual or demonstrably anticipated research or development, or (B) the invention results from any work performed by Executive for the Company.

(iii) Nevertheless, if Executive believes any invention, work of authorship or other matter created by Executive during the Term is not within the definition of Inventions, Executive will disclose it to the Company so that the Company may make an assessment of whether it falls within the definition of Invention within this Agreement.

(g) Publicity. Executive hereby irrevocably consents to any and all uses and displays, by the Company and its agents, representatives and licensees, of Executive's name, voice, likeness, image, appearance, and biographical information in, on or in connection with any pictures, photographs, audio and video recordings, digital images, websites, television programs and advertising, other advertising and publicity, sales and marketing brochures, books, magazines, other publications, CDs, DVDs, tapes, and all other printed and electronic forms and media throughout the world, at any time during or after the Term, for all legitimate commercial and business purposes of the Company ("Permitted Uses") without further consent from or royalty, payment, or other compensation to Executive. Executive hereby forever waives and releases the Company and its directors, officers, employees, and agents from any and all claims, actions, damages, losses, costs, expenses, and liability of any kind, arising under any legal or equitable theory whatsoever at any time during or after the Employment Term, arising directly or indirectly from the Company's and its agents', representatives', and licensees' exercise of their rights in connection with any Permitted Uses.

(h) Tolling Period. Without limiting the Company's ability to seek other remedies available at law or in equity, if Executive violated any of the provisions of Section 5, the Restricted Period shall be extended by one day with respect to each covenant for each day that Executive is in violation of the provisions of such covenant, so as to give the Company the full benefit of the bargained-for length of forbearance.

(i) Advance Notice. As soon as reasonably practicable following acceptance of any other employment or service relationship during the Restricted Period following Executive's termination of employment (and in any event at least ten (10) business days prior to commencement of such relationship), Executive shall provide written notice of such relationship to the Company.

(j) Interpretation. In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action. For purposes of this Section 5 and the defined terms referenced herein, references to the "Company" shall include the Company and its subsidiaries and controlled Affiliates.

(k) Acknowledgements. Executive acknowledges and agrees that the covenants contained in this Section 5: (i) are necessary to protect the Company's legitimate interests, including, without limitation, trade secrets, confidential and proprietary information and goodwill, and are no greater than required to protect such interests, (ii) are not unduly harsh or oppressive and do not impose undue hardship on Executive, and (iii) are reasonable, including, without limitation, in duration and scope. Executive recognizes and acknowledge that a breach of the covenants contained in this Section 5 will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in this Section 5, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to seek specific performance and injunctive relief (without requirement to post a bond or other security). Executive further acknowledge and agrees that Executive received this Agreement no later than when Executive accepted the Company's offer of continued employment.

6. Certain Definitions. For purposes of this Agreement:

(a) "Affiliate" shall mean, with respect to any particular Person means (a) any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise, (b) any Person that is an officer, partner, member or trustee of, or serves in a similar capacity with respect to, the specified Person and (c) any member of the immediate family of the specified Person (which shall include parents, children and siblings, both by-blood and in-law).

(b) "Business Partner" means any of the Company's then-current customers, clients, members, suppliers, or business partners or relations.

(c) "Cause" shall mean any of the following:

(i) Executive's commission, indictment for or conviction of, or plea of guilty or nolo contendere to a felony or a crime involving dishonesty, fraud or moral turpitude, or Executive engaging in any embezzlement, financial misappropriation or fraud, related to his employment with, or provision of services to, the Company or any subsidiary or Affiliate;

(ii) Executive's breach of Executive's obligations to the Company or any of its subsidiaries or Affiliates or pursuant to this Agreement (including, but not limited to, Section 5 hereof or any other restrictive covenant obligation);

(iii) Executive's misconduct in connection with Executive's performance of his duties for the Company or any subsidiary or Affiliate, which is harmful to the Company or any subsidiary or Affiliate;

(iv) Executive's violation of any U.S. federal securities laws, rules or regulations;

(v) Executive's violation of any Company policy or any other policy or procedure of a subsidiary or Affiliate of the Company;

(vi) Executive's habitual use of alcohol or drugs that materially impairs ability to perform duties;

(vii) Executive's gross negligence which is harmful to the Company or any of its subsidiaries or Affiliates;

(viii) Executive's commission of any act of sexual or other harassment or discrimination; or

(ix) Executive's failure (other than due to illness or injury) to perform Executive's duties and responsibilities to the Company or Executive's refusal to follow the reasonable and lawful directive of the Company related to performance of Executive's duties, which directive is consistent with normal business practice.

With respect to clauses (ii), (iii), (v), (vii) or (ix), Executive will be given thirty (30) days to cure such event or condition giving rise to such termination for Cause (to the extent the Company deems such event or condition curable).

(d) "Change in Control" be deemed to have occurred if any one of the following events shall occur, in a single transaction or in a series of related transactions:

(i) Any Person becomes the beneficial owner (as defined in Rule 13(d)-3 under the Exchange Act) of shares of common stock of the Company representing more than 50% of the total number of votes that may be cast for the election of directors of the Company; or

(ii) The consummation of any (a) merger, consolidation, acquisition, reorganization, statutory share exchange or other business combination in which either the Company or any of its subsidiaries is a party, (b) sale or other disposition of all or substantially all of the Company's assets, in one or a series of related transactions, or (c) a combination of the foregoing transactions (each, a "Transaction"), other than a Transaction (A) involving only the Company and one or more of its now or hereafter existing subsidiaries, (B) immediately following which the shareholders of the Company immediately prior to the Transaction continue to hold a majority of the voting power in the resulting or surviving entity, or (C) following which the Incumbent Directors (as defined below) at the time of the execution of the initial agreement or other action of the Board providing for such Transaction continue to constitute a majority of the directors of the resulting or surviving entity; or

(iii) Within any twelve (12)-month period beginning on or after the Transaction Date, the persons who were directors of the Company immediately before the beginning of such period (the "Incumbent Directors") shall cease (for any reason other than death) to constitute at least a majority of the Board (or the board of directors of any successor to the Company); provided that any director who was not a director as of the date hereof shall be deemed to be an Incumbent Director if such director was elected to the Board by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors either actually or by prior operation of the foregoing unless such election, recommendation or approval was the result of an actual or threatened election contest of the type contemplated by Rule 14a-11 promulgated under the Exchange Act or any successor provision; or

(iv) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(v) Any other transaction or event that the Board determines is a Change in Control in its sole discretion.

Notwithstanding the foregoing, no event or condition shall constitute a Change in Control to the extent that, if it were, a penalty tax would be imposed under Section 409A of the Code; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (e.g., if applicable, in respect of vesting without an acceleration of distribution) without causing the imposition of such penalty tax.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder.

(f) "Company Personnel" shall mean means any individual or entity that is or was at any time during the six (6)-month period prior to Executive's termination of employment, employed or engaged (whether as an employee, consultant, independent contractor or in any other capacity) by the Company or any of its subsidiaries or Affiliates.

(g) "Competitive Business" means any business or organization (whether or not for profit) that is engaged in the same or similar business(es) in which the Company is or was engaged during Executive's employment with the Company, including any business in which the Company has taken steps to engage in based on discussions or actions taken by or among senior management or the Board.

(h) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(i) "Good Reason" shall mean the occurrence of any of the following without Executive's prior written consent:

(i) a material diminution of Executive's authorities, duties, responsibilities;

(ii) a material reduction in Base Salary unless a similar reduction applies to all similarly-situated executives of the Company;

(iii) a material breach of this Agreement by the Company; or

(iv) the relocation of Executive's principal office location to a location that is more than fifty (50) miles from the location on the Transaction Date.

Notwithstanding the foregoing, Executive's employment shall not be terminated with Good Reason unless (w) Executive provides written notice to the Company of the event or condition alleged to constitute Good Reason within thirty (30) days after Executive first becomes aware that

such event or condition has occurred or arisen, (x) such notice details the basis of such termination, (y) the Company reasonably fails to cure such event or condition within thirty (30) days after receipt of such notice, and (z) if the Company fails to reasonably cure such event or condition within such thirty (30) day period, Executive actually terminates his or her employment within thirty (30) days following the expiration of such thirty (30) day cure period.

(j) "Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association or other entity or a governmental entity.

(k) "Restricted Period" shall mean the period of Executive's employment and twelve (12) months following the termination of Executive's employment for any reason.

(l) "Restricted Area" means anywhere in the world where Executive's use or disclosure of Confidential Information could disadvantage the Company.

7. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any of its subsidiaries or Affiliates or to any successor to all or substantially all of the business or the assets of the Company or any subsidiary or Affiliate thereof (by merger or otherwise), provided that such successor expressly agrees to perform each and all obligations of the Company set forth herein. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective permitted successors and assigns. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and any applicable employee benefit plan, program, or arrangement, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

8. Parachute Payments.

(a) Notwithstanding any other provisions of this Agreement or any other agreement between the Parties, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 above, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") or would not be deductible by the Company or any of its subsidiaries or Affiliates pursuant to Section 280G of the Code (the "Deduction Loss"), then the Total Payments shall be reduced (in the order provided in Section 8(b) below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments and the Deduction Loss, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments). Executive shall execute any waiver or other documentation and take all other actions requested by the Company to acknowledge the reduction pursuant to this Section 8(a).

(b) The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; *provided*, in case of subclauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(c) The Company will make all determinations regarding the application of this Section 8, which determinations shall be final, binding and conclusive the Company, Executive, and all other interested Persons.

In the event it is later determined that to implement the objective and intent of this Section 8, (i) a greater reduction in the Total Payments should have been made, the excess amount shall be returned promptly by Executive to the Company or (ii) a lesser reduction in the Total Payments should have been made, the excess amount shall be paid or provided promptly by the Company to Executive, except to the extent the Company reasonably determines would result in imposition of a penalty tax under Section 409A.

9. Miscellaneous Provisions.

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Nevada without reference to the principles of conflicts of law of the State of Nevada or any other jurisdiction that would result in application of the laws of a jurisdiction other than the State of Nevada, and where applicable, the laws of the United States.

(b) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(c) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and sent by email or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to:

USBC, Inc.
619 Western Avenue, Suite 610
Seattle, WA 98104
ATTN: Chief Executive Officer and Chief Financial Officer

Or to such other address for the Company as is set forth in the most recent publicly filing of the Company.

With a copy (which shall not constitute notice) to:
Lowenstein Sandler LLP
1251 6th Ave 17th Floor
New York, New York 10020
Telephone: 212.204.8697
Attention: Daniel Forman; Annie Nazarian Davydov
Email: dforman@lowenstein.com; anazarian@lowenstein.com

(ii) If to Executive, to the last address that the Company has in its personnel records for Executive;

or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile or PDF shall be deemed effective for all purposes.

(e) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral; *provided* that nothing in this Agreement shall supersede, modify or otherwise affect any restrictive covenant, invention assignment or confidentiality obligations imposed under any Company policy or any other agreement between Executive and the Company or any of its Affiliates, and in the event of any conflict between any such restrictive covenant, invention assignment or confidentiality obligation and this Agreement, the provisions which are broadest (including, without limitation, with respect to scope and duration), or otherwise most favorable to the Company, shall control. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(f) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized representative of Company. By an instrument in writing similarly executed, Executive or a duly authorized representative of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(g) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections, or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) “and” and “or” are each used both conjunctively and disjunctively; (iii) “any”, “all”, “each”, or “every” means “any and all”, and “each and every”; (iv) “includes” and “including” are each “without limitation”; (v) “herein”, “hereof”, “hereunder” and other similar compounds of the word “here” refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Persons referred to may require. All determinations, interpretations, exercises of authority, or similar rights or actions by the Board or the Company hereunder shall be made by the Board or the Company, as applicable, in its sole and absolute discretion.

(h) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the Term, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(i) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges that the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(j) Whistleblower Protections and Defend Trade Secrets Act Disclosure. Notwithstanding anything to the contrary contained herein, (i) nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley

Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) this Agreement is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with Executive's protected rights under federal, state or local law to, without notice to the Company: (A) communicate or file a charge with or provide information to a government regulator, such as, by way of example and not limitation, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization; (B) participate in an investigation or proceeding conducted by a government regulator; (C) receive an award paid by a government regulator for providing information; or (D) otherwise engage in activity protected by applicable whistleblower laws. Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(k) Recoupment of Erroneously Awarded Compensation. In accordance with the Nasdaq Stock Exchange and New York Stock Exchange listing standards and the requirements thereunder, the Company has adopted a clawback policy (the "Clawback Policy"). Executive acknowledges and agrees that as set forth in such Clawback Policy: (i) Executive shall be bound by and abide by the terms of the Clawback Policy as it currently exists, if any; (ii) if no Clawback Policy in currently in place, one may be adopted in the future and the Executive shall be bound by and abide by such terms of the Clawback Policy as adopted, (iii) the Clawback Policy may be amended or restated from time to time, and Executive shall be bound by and abide by the terms of the Clawback Policy as it may change over time; (iv) Executive shall cooperate and shall promptly return any incentive-based compensation that the Company determines is subject to recoupment under the Clawback Policy; and (v) any incentive-based or other compensation paid to Executive under any agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required by such law, government regulation or stock exchange listing requirement. The Board will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

(l) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement or any other arrangement between the Parties comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A. If the Company determines that any provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A, the Company may (but is not obligated to), take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service").

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) *Expense Reimbursements.* To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred; *provided*, that Executive submits Executive's reimbursement request in accordance with applicable Company policies as in effect from time to time (if any), the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A.

(vi) *Release*. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of Executive's termination of employment are subject to Executive's execution and delivery of a Release: (A) if Executive fails to execute the Release on or prior to the Release Expiration Date or timely revokes Executive's acceptance of the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release; and (B) in any case where Executive's Date of Termination and the Release Expiration Date (and any applicable revocation period) plus the first regularly scheduled payroll date thereafter fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes hereof, "Release Expiration Date" shall mean the date that is at least twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive or, in the event that Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is at least forty-five (45) days following such delivery date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of

Executive's termination of employment are delayed pursuant to this Section 9(n)(vi), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and does not revoke the Release (and the applicable revocation period has expired).

10. Prior Employment.

Executive represents and warrants that Executive's acceptance of continued employment with the Company has not breached, and the continued performance of Executive's duties hereunder will not breach, any duty owed by Executive to any prior employer or other Person. Executive further represents and warrants to the Company that (a) the continued performance of Executive's obligations hereunder will not violate any agreement between Executive and any other Person; (b) Executive is not bound by the terms of any agreement with any previous employer or other Person to refrain from competing, directly or indirectly, with the business of such previous employer or other Person that would be violated by Executive entering into this Agreement or providing continued services to the Company pursuant to the terms of this Agreement; and (c) Executive's continued performance of Executive's duties under this Agreement will not require Executive to, and Executive shall not, rely on in the continued performance of Executive's duties or disclose to the Company or any other Person or induce the Company in any way to use or rely on any trade secret or other confidential or proprietary information or material belonging to any previous employer of Executive.

11. Executive Acknowledgement.

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the 6th day of August, 2025.

USBC, Inc.

By: */s/ Gregory Kidd*
Name: Gregory Kidd
Title: Chief Executive Officer

EXECUTIVE

/s/ Kitty Payne
Kitty Payne

[Signature Page to Employment Agreement]

EXHIBIT 10.5

USBC, INC.

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), dated as of the 6th day of August, 2025, is made by and between USBC, Inc., a Nevada corporation (the "Company"), and Kirk Chapman ("Executive"). The Company and Executive are together referred to herein as the "Parties" or individually referred to as a "Party".

WHEREAS, the Company desires to retain Executive as its Chief Operating Officer and Executive desires to accept such position, effective upon the date of the consummation of the transactions described in that certain Securities Purchase Agreement dated as of June 5, 2025, by and among the Company and Goldeneye 1995 LLC, a Nevada limited liability company (the "Transaction Date");

NOW, **THEREFORE**, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

(a) Term. Effective on the Transaction Date, the Company shall employ Executive pursuant to the terms of this Agreement, and Executive shall remain in the employ of the Company until terminated by either Party pursuant to Section 3 of this Agreement, for the period and in the position(s) set forth in this Section 1, and subject to the other terms and conditions herein. The period during which Executive is employed by the Company hereunder is hereinafter referred to as the "Term."

(b) Positions. During the Term, Executive shall serve as Chief Operating Officer of the Company and have such duties and responsibilities as are customary for such position and as the Company shall reasonably require. At the Company's request, Executive shall during the Term serve the Company and its subsidiaries in such other capacities in addition to the foregoing as the Company shall designate. In the event that Executive serves in any one or more of such additional capacities, Executive's compensation shall not be increased on account of such additional services.

(c) Duties. During the Term, Executive shall devote sufficient working time, attention and efforts to the business and affairs of the Company except during any paid vacation or other excused absence periods. Executive shall not engage in outside business activities (including serving on outside boards or committees) during the Term without the prior written consent of the Board of Directors of the Company (the "Board") (which the Board may grant or withhold); *provided* that Executive shall be permitted to: (i) manage Executive's personal, financial, and legal affairs; and (ii) act or serve as a director, trustee, committee member, or principal of any type of civic or charitable organization, in each case, subject to compliance with this Agreement and the Company policies, as in effect from time to time, and provided that such activities do not conflict with or materially interfere with, individually or in the aggregate, Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to observe and comply with the rules and policies of the Company as adopted by the Company from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive.

(d) Location. The Executive may work from Executive's residence or such other location as is reasonably acceptable to the Company. From time to time Executive may be required to travel in the proper conduct of Executive's duties and responsibilities under this Agreement and Executive agrees to do so.

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2. Compensation and Related Matters.

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at the rate of $320,000 per annum, subject to customary withholdings and authorized deductions, which shall be paid in accordance with the customary payroll practices of the Company. Such annual base salary shall be reviewed from time to time by the Board and/or the Compensation Committee thereof (the "Committee") (such annual base salary, as it may be adjusted from time to time, the "Annual Base Salary").

(b) Bonus. Executive may be entitled to bonuses from time to time as determined by the Board or the Committee in their sole discretion (the "Bonus"). Bonuses, if any, will be paid as soon as practicable after they have been determined, but not later than thirty (30) days after they are determined, provided that Executive is still employed by the Company at the time of payment.

(c) Equity Awards. Executive may be eligible for grants of equity awards (the "Equity Awards"), subject to approval by the Board and/or Committee, and such vesting and other terms and conditions of the Company equity plan under which the applicable Equity Awards are granted and an award agreement to be provided by the Company and entered into with Executive with respect to each Equity Award.

(d) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements as the Company may from time to time offer, consistent with the terms thereof and as such plans, programs and arrangements may be amended from time to time. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any, or any particular, plan or benefit and the Company reserves the right to change, alter, or terminate any benefit plan or benefit at any time (including, without limitation, contribution levels).

(e) Paid Time Off. During the Term, Executive shall be entitled to paid time off in accordance with the Company policies, as in effect from time to time.

(f) Business Expenses. During the Term, the Company shall reimburse Executive for reasonable and necessary out-of-pocket business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement policy, as in effect from time to time.

3. At-Will Employment.

The Company and Executive acknowledge that Executive's employment is and shall continue to be "at-will." This means that such employment is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, for any or no particular reason or cause. It also means that Executive's job duties, title, and responsibility and reporting level, work schedule, compensation, and benefits, as well as the Company's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time as determined by the Company (subject to any ramification such changes may have under Section 4 below, or any other governing documents of the Company or its subsidiaries or Affiliates). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a representative of the Company duly authorized by the Board. If Executive's employment terminates for any lawful reason, Executive shall not be entitled to any payments, benefits, damages, awards, or other compensation other than as provided in Section 4 of this Agreement.

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4. Obligations upon a Termination of Employment; Severance.

(a) Executive's Obligations upon Termination.

(i) *Cooperation*. At any time following termination of employment for any reason, Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during or in connection with Executive's employment hereunder; provided that the Company shall reimburse Executive for Executive's reasonable, pre-approved out of pocket costs and expenses.

(ii) *Return of Company Property*. Executive hereby acknowledges and agrees that all Company Property and equipment furnished to, or prepared by, Executive in the course of, or incident to, Executive's employment, belongs to the Company and with respect to physical property shall be promptly returned to the Company upon termination of Executive's employment and at such other time(s) as may be determined by the Company (and will not be kept in Executive's possession or delivered to anyone else), and with respect to digital property shall be permanently deleted. Executive further acknowledges and agrees the Executive shall provide all Company access codes, passcodes, and administrator rights to the Company at any time during or after Executive's employment on demand. For purposes of this Agreement, "Company Property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof (including computer files), keys, building card keys, company credit cards, computer hardware and software, laptop computers, tablets, docking stations, cellular and portable telephone equipment, and all other proprietary information relating to the business of the Company or its subsidiaries or Affiliates. Following termination of employment, except as may be required by applicable law Executive shall not retain any written or other tangible material containing any proprietary information of the Company or its subsidiaries or Affiliates.

(b) Company Obligations upon Termination for any reason. Upon termination of Executive's employment for any reason, Executive (or Executive's estate, as applicable) shall be entitled to receive: (i) Executive's Annual Base Salary earned through the date of termination, but not yet paid to Executive; (ii) any expenses owed to Executive pursuant to Section 2(f) above; and (iii) any amounts owed to Executive with respect any vested employee benefit plans, programs, arrangements or policies of the Company or any subsidiary or Affiliate, in each case, which amounts shall be payable in accordance with the terms and conditions of such plans, programs, arrangements, policies or other agreements (collectively, the "Accrued Obligations"). Except as otherwise expressly required by law or as specifically provided herein, all of Executive's rights to salary, severance benefits, bonuses and other compensatory amounts or benefits hereunder (if any) shall cease upon the termination of Executive's employment hereunder.

(c) Involuntary Termination without Cause or Resignation with Good Reason prior to a Change in Control. If Executive's employment is terminated by the Company without Cause or Executive resigns from employment with the Company with Good Reason, in each case prior to a Change in Control (as defined in Section 6(d) below), then, subject to Executive's execution and delivery to the Company and non-revocation (if applicable) of a waiver and release of claims in a form satisfactory to the Company (the "Release") that becomes effective and irrevocable within sixty (60) days of the Date of Termination (or such earlier period as requested by the Company at the time of termination of employment) and Executive's continued compliance with the terms and conditions of this Agreement (including, without limitation, Section 5 below) and the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 4(b) above, the following:

(i) cash severance equal to twelve (12) months of Executive's then-existing Annual Base Salary, payable in accordance with the Company's normal payroll practices, less applicable withholdings and deductions over the twelve (12) month period following the Date of Termination (such period, the "Severance Period"), commencing with the pay period following the date that the Release becomes effective; provided, however, that if the period for review and revocation of the Release spans two taxable years, such payments shall commence on the later of (i) the first pay period ending in the second of such taxable years or (ii) the first pay period after the Release becomes effective; and provided further that the first installment shall include any payments that would have been made had such payments commenced with the pay period ending immediately following the Date of Termination;

(ii) an amount equal to any earned annual Bonus for the fiscal year of the Company preceding the Date of Termination, payable in a lump sum within ten (10) days following the later of (i) the effectiveness of the Release, and (ii) the date that bonuses for such year are paid to other Executives of the Company; and

(iii) if Executive timely and properly elects health continuation coverage under the Company's group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall promptly reimburse Executive on a monthly basis for the difference between the monthly COBRA premium paid by Executive for Executive and Executive's dependents and the monthly premium amount paid for such coverage by similarly situated active executives. Executive shall be eligible to receive such reimbursement until the earliest of: (x) the twelve (12) month anniversary of Executive's Date of Termination; (y) the date Executive is no longer eligible to receive COBRA continuation coverage; and (z) the date on which Executive obtains substantially similar coverage from another employer or other

source. Notwithstanding the foregoing, if the Company's payments under this Section 4(c)(iii) would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the Company may provide such coverage in a manner as is necessary to comply with the ACA.

(d) Involuntary Termination Without Cause or Resignation with Good Reason on or following a Change in Control. If Executive's employment is terminated by the Company without Cause or Executive resigns from employment with the Company with Good Reason, in each case on or within twenty-four (24) months following a Change in Control (as defined in Section 6(d) below), then, subject to Executive's execution and delivery to the Company and non-revocation (if applicable) of a Release that becomes effective and irrevocable within sixty (60) days of the Date of Termination (or such earlier period as requested by the Company at the time of termination of employment) and Executive's continued compliance with the terms and conditions of this Agreement (including, without limitation, Section 5 below) and the Release, Executive shall receive, in addition to the payments and benefits set forth in Section 4(b) above, the following:

(i) a lump sum cash severance payment in an amount equal to 1.5 times the sum of (x) Executive's Annual Base Salary, and (y) Executive's annual bonus for the most recent fiscal year of the Company (or target annual bonus for such year if greater), which sum shall be paid in the pay period following the date that the Release becomes effective; provided, however, that if the period for review and revocation of the Release spans two taxable years, such payment shall be made on the later of (i) the first pay period ending in the second of such taxable years or (ii) the first pay period after the Release becomes effective;

(ii) an amount equal to any earned annual Bonus for the fiscal year of the Company preceding the Date of Termination, payable in a lump sum within ten (10) days following the later of (i) the effectiveness of the Release, and (ii) the date that bonuses for such year are paid to other Executives of the Company; and

(iii) the Company shall provide Executive with continued healthcare coverage in accordance with Section 4(c)(iii) hereof except that "eighteen (18)" shall replace "twelve (12)" therein.

(e) No Other Severance. The severance payments and benefits provided to Executive pursuant to Section 4(c) or 4(d) hereof are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program, and Executive acknowledges and agrees that Executive shall have no rights or entitlements to any benefits or payments under any such plan, policy or program.

(f) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 9 of this Agreement will survive the termination of Executive's employment and the termination of the Term for any reason.

5. Restrictive Covenants.

(a) Confidentiality. Executive agrees, during Executive's employment with the Company and at all times thereafter, not to, directly or indirectly, use (for Executive's own benefit or another Person) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential or trade secret information, except as may be necessary for the performance of Executive's Company duties or as expressly authorized in writing by the Company.

(i) For purposes of this Agreement, "Confidential Information" means confidential non-public or proprietary information or trade secrets disclosed to or learned by Executive as a consequence of Executive's employment or service with the Company, including without limitation any third-party information that the Company treats as confidential, and any information learned by Executive as a result of Executive's employment or service with the Company. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature: the set-up of the Company's production techniques, designs, concepts, drawings, ideas, intellectual property, inventions, specifications, models, research, study results, formulas, development, processes, procedures, trade secrets, know-how, new product or new technology information, designs, product designs, customer names and other information related to customers, employee information, pricing policies, financial information, business plans, computer programs (whether in source code or object code), strategies, methods, systems, inventions, production method and sources, marketing and sales information, information received from others that the Company is obligated to treat as confidential or proprietary, (ii) statements (financial or otherwise), organizational and governing documents, software programs, applications and data bases, lists of (and agreements, contracts, terms, arrangements and negotiations with) existing or potential counterparties (including, without limitation, lenders, investors, customers, lessors, landlords, employees, sales representatives, independent or other contractors and other commercial partners and service providers), analyses, reports, studies and research (industry, market, product or otherwise), forecasts, projections, pipelines, budgets, memoranda, compilations, and (iii) and any other technical, scientific, medical, operating, financial and other business information that has commercial value, relating to the Company, its business, potential business, operations or finances, or the business of the Company's customers, of which Executive may have acquired or developed knowledge or of which Executive may in the future acquire or develop knowledge of during Executive's work for the Company, or from Executive's colleagues while working for the Company.

(ii) Confidential Information shall not include information that (a) is now or later becomes publicly available or generally known to the industry (other than as a result of a breach of this Agreement), (b) is independently developed by Executive outside the scope of Executive's employment and without reference to any Confidential Information; (c) is lawfully obtained from a third party outside the scope of Executive's employment without restriction on use or disclosure or (d) information that is otherwise required to be and has been disclosed under applicable laws, regulations or judicial or regulatory process, or upon the request of a regulatory authority. Executive agrees that Executive will maintain at Executive's workstation or other places under Executive's control only such Confidential Information that Executive has a current need to know for Company business purposes, and that Executive will return to the Company or otherwise properly dispose of all Confidential Information once Executive's need to know no longer exists. Executive agrees that Executive will not make copies (electronic or otherwise) of information unless Executive has a need for such copies in connection with Executive's work at the Company.

(b) Non-Solicitation of Company Personnel. During the Restricted Period and in the Restricted Area, Executive will not, directly or indirectly, for Executive's own benefit or for the benefit of any other individual or entity: (i) employ or hire any Company Personnel in any capacity (whether as an employee, contractor, consultant or otherwise); (ii) solicit or attempt to solicit for employment or hire any Company Personnel in any capacity; (iii) entice or induce any Company Personnel to leave his or her or their employment or service with the Company; or (iv) otherwise negatively interfere with the Company's relationship with any Company Personnel. Notwithstanding the foregoing, a general solicitation or advertisement for job opportunities that Executive may publish without targeting any Company Personnel shall not be considered a violation of this Section 5(b).

(c) Non-Solicitation of Business Partners. During the Restricted Period and in the Restricted Area, Executive will not, except as expressly authorized in writing by the Company, directly or indirectly, whether as employee, owner, sole proprietor, partner, shareholder, director, member, consultant, agent, founder, co-venture partner or otherwise, do anything to divert or attempt to divert from the Company any business of any kind, including, without limitation, solicit or interfere with any of the Company's Business Partners with whom Executive performed direct, substantive services during Executive's employment or as to whom Executive had access to Confidential Information where Executive's use or disclosure of Confidential Information could disadvantage the Company. This restriction in this Section 5(c) shall not (i) apply with respect to any Business Partner with whom Executive can demonstrate Executive had a pre-existing relationship prior to Executive's employment with the Company, nor (ii) directly or indirectly prohibit the acceptance or transaction of business with any of the Company's Business Partners.

(d) Non-Competition. During the Restricted Period and in the Restricted Area, Executive shall not, except as expressly authorized in writing by the Company, directly or indirectly, become employed by, engage with (as a consultant, advisor or otherwise), invest in or otherwise own or participate in any Competitive Business in any capacity in which the Company's Confidential Information of which Executive has or gains knowledge or to which Executive has access during Executive's employment would reasonably be considered useful to the competitor or would enable the other third party to become a competitor of the Company, provided, however, that Executive may own, as a passive investor, publicly-traded securities of any corporation that competes with the business of the Company so long as such securities do not, in the aggregate, constitute more than two percent (2%) of any class of outstanding securities of such corporations.

(e) Non-Disparagement. Executive agrees that Executive shall not, at any time during or after the Term, disparage the Company, any of its products, services or practices, or any of its directors, officers, employees, customers, agents, representatives, or equity holders and their respective Affiliates, either orally or in writing, at any time; *provided*, *that* Executive may confer in confidence with Executive's legal representatives and make truthful statements as required by law or upon the request of any regulatory authority. For avoidance of doubt, this Section 5(e) does not, in any way, restrict or impede Executive from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order, including Executive's right to engage in protected activity under the National Labor Relations Act, government whistleblower programs and whistleblowing statutes or regulations.

(f) Invention Assignment. Executive (i) will promptly disclose all Inventions (as defined below), in full detail, to persons authorized by the Company, and (ii) will not disclose any Invention to anyone other than persons authorized by the Company or by law, without the Company's express prior written instruction to do so. All Inventions will be deemed "work made for hire" as that term is used in the U.S. Copyright Act and belong solely to the Company from conception. Executive hereby expressly disclaims all interest in all Inventions. To the extent that title to any Invention or any materials comprising or including any Invention is found not be a "work made for hire" as a matter of law, Executive hereby irrevocably assigns to the Company all of Executive's right, title, and interest to that Invention. At any time during or after the Term that the Company requests, Executive will sign whatever written documents of assignment are necessary to formally evidence Executive's irrevocable assignment to the Company of any Invention. At all times during or after the Term, Executive will assist the Company in obtaining, perfecting, maintaining and renewing patent, copyright, trademark, and other appropriate protection for any Invention, in the United States and in any other country, at the Company's expense. In the event that the Company is unable to secure Executive's signature on any such document, Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf, to sign and file any such document and to do all other lawful acts to further the prosecution, issuance and enforcement of patents, copyrights or other rights or protections with the same force and effect as if Executive had signed such documents. To the extent any copyrights are assigned under this Agreement, Executive hereby irrevocably waives to the extent permitted by applicable law, any and all claims Executive may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Inventions and all intellectual property rights therein.

(i) For purposes of this Agreement, "Inventions" means: (A) contributions and inventions, discoveries, creations, developments, improvements, works of authorship and ideas (whether or not they are patentable or copyrightable) of any kind that are or were, since the date of commencement of Executive's employment with the Company, conceived, created, developed or reduced to practice by Executive, alone or with others, while employed by the Company that are either: (1) conceived during regular working hours or at Executive's place of work, whether located at Company, Affiliate or customer facilities, or at Executive's own facilities; or (2) regardless of whether they are conceived or made during regular working hours or at Executive's place of work, are directly or indirectly related to the Company's Business or potential business, result from tasks assigned to Executive by the Company, or are conceived or made with the use of the Company's resources, facilities or materials; and (B) any and all patents, patent applications, copyrights, trade secrets, trademarks, domain names and other intellectual property rights, worldwide, with respect to any of the foregoing.

(ii) The term "Inventions" specifically excludes any invention that: (i) by applicable law, Executive cannot be required to assign; (ii) Executive has conceived, created or developed prior to commencement of the Term and that is disclosed in writing to the Company within ten (10) days following commencement of the Term; or (iii) Executive developed entirely on Executive's own time without using any Company equipment, supplies, facilities or trade secret information, unless (A) the invention related at the time of conception or reduction to practice of the invention to (x) the Company's Business, or (y) the Company's actual or demonstrably anticipated research or development, or (B) the invention results from any work performed by Executive for the Company.

(iii) Nevertheless, if Executive believes any invention, work of authorship or other matter created by Executive during the Term is not within the definition of Inventions, Executive will disclose it to the Company so that the Company may make an assessment of whether it falls within the definition of Invention within this Agreement.

(g) Publicity. Executive hereby irrevocably consents to any and all uses and displays, by the Company and its agents, representatives and licensees, of Executive's name, voice, likeness, image, appearance, and biographical information in, on or in connection with any pictures, photographs, audio and video recordings, digital images, websites, television programs and advertising, other advertising and publicity, sales and marketing brochures, books, magazines, other publications, CDs, DVDs, tapes, and all other printed and electronic forms and media throughout the world, at any time during or after the Term, for all legitimate commercial and business purposes of the Company ("Permitted Uses") without further consent from or royalty, payment, or other compensation to Executive. Executive hereby forever waives and releases the Company and its directors, officers, employees, and agents from any and all claims, actions, damages, losses, costs, expenses, and liability of any kind, arising under any legal or equitable theory whatsoever at any time during or after the Employment Term, arising directly or indirectly from the Company's and its agents', representatives', and licensees' exercise of their rights in connection with any Permitted Uses.

(h) Tolling Period. Without limiting the Company's ability to seek other remedies available at law or in equity, if Executive violated any of the provisions of Section 5, the Restricted Period shall be extended by one day with respect to each covenant for each day that Executive is in violation of the provisions of such covenant, so as to give the Company the full benefit of the bargained-for length of forbearance.

(i) Advance Notice. As soon as reasonably practicable following acceptance of any other employment or service relationship during the Restricted Period following Executive's termination of employment (and in any event at least ten (10) business days prior to commencement of such relationship), Executive shall provide written notice of such relationship to the Company.

(j) Interpretation. In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action. For purposes of this Section 5 and the defined terms referenced herein, references to the "Company" shall include the Company and its subsidiaries and controlled Affiliates.

(k) Acknowledgements. Executive acknowledges and agrees that the covenants contained in this Section 5: (i) are necessary to protect the Company's legitimate interests, including, without limitation, trade secrets, confidential and proprietary information and goodwill, and are no greater than required to protect such interests, (ii) are not unduly harsh or oppressive and do not impose undue hardship on Executive, and (iii) are reasonable, including, without limitation, in duration and scope. Executive recognizes and acknowledge that a breach of the covenants contained in this Section 5 will cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in this Section 5, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to seek specific performance and injunctive relief (without requirement to post a bond or other security). Executive further acknowledge and agrees that Executive received this Agreement no later than when Executive accepted the Company's offer of continued employment.

6. Certain Definitions. For purposes of this Agreement:

(a) "Affiliate" shall mean, with respect to any particular Person means (a) any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, by contract or otherwise, (b) any Person that is an officer, partner, member or trustee of, or serves in a similar capacity with respect to, the specified Person and (c) any member of the immediate family of the specified Person (which shall include parents, children and siblings, both by-blood and in-law).

(b) "Business Partner" means any of the Company's then-current customers, clients, members, suppliers, or business partners or relations.

(c) "Cause" shall mean any of the following:

(i) Executive's commission, indictment for or conviction of, or plea of guilty or nolo contendere to a felony or a crime involving dishonesty, fraud or moral turpitude, or Executive engaging in any embezzlement, financial misappropriation or fraud, related to his employment with, or provision of services to, the Company or any subsidiary or Affiliate;

(ii) Executive's breach of Executive's obligations to the Company or any of its subsidiaries or Affiliates or pursuant to this Agreement (including, but not limited to, Section 5 hereof or any other restrictive covenant obligation);

(iii) Executive's misconduct in connection with Executive's performance of his duties for the Company or any subsidiary or Affiliate, which is harmful to the Company or any subsidiary or Affiliate;

(iv) Executive's violation of any U.S. federal securities laws, rules or regulations;

(v) Executive's violation of any Company policy or any other policy or procedure of a subsidiary or Affiliate of the Company;

(vi) Executive's habitual use of alcohol or drugs that materially impairs ability to perform duties;

(vii) Executive's gross negligence which is harmful to the Company or any of its subsidiaries or Affiliates;

(viii) Executive's commission of any act of sexual or other harassment or discrimination; or

(ix) Executive's failure (other than due to illness or injury) to perform Executive's duties and responsibilities to the Company or Executive's refusal to follow the reasonable and lawful directive of the Company related to performance of Executive's duties, which directive is consistent with normal business practice.

With respect to clauses (ii), (iii), (v), (vii) or (ix), Executive will be given thirty (30) days to cure such event or condition giving rise to such termination for Cause (to the extent the Company deems such event or condition curable).

(d) "Change in Control" be deemed to have occurred if any one of the following events shall occur, in a single transaction or in a series of related transactions:

(i) Any Person becomes the beneficial owner (as defined in Rule 13(d)-3 under the Exchange Act) of shares of common stock of the Company representing more than 50% of the total number of votes that may be cast for the election of directors of the Company; or

(ii) The consummation of any (a) merger, consolidation, acquisition, reorganization, statutory share exchange or other business combination in which either the Company or any of its subsidiaries is a party, (b) sale or other disposition of all or substantially all of the Company's assets, in one or a series of related transactions, or (c) a combination of the foregoing transactions (each, a "Transaction"), other than a Transaction (A) involving only the Company and one or more of its now or hereafter existing subsidiaries, (B) immediately following which the shareholders of the Company immediately prior to the Transaction continue to hold a majority of the voting power in the resulting or surviving entity, or (C) following which the Incumbent Directors (as defined below) at the time of the execution of the initial agreement or other action of the Board providing for such Transaction continue to constitute a majority of the directors of the resulting or surviving entity; or

(iii) Within any twelve (12)-month period beginning on or after the Transaction Date, the persons who were directors of the Company immediately before the beginning of such period (the "Incumbent Directors") shall cease (for any reason other than death) to constitute at least a majority of the Board (or the board of directors of any successor to the Company); provided that any director who was not a director as of the date hereof shall be deemed to be an Incumbent Director if such director was elected to the Board by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors either actually or by prior operation of the foregoing unless such election, recommendation or approval was the result of an actual or threatened election contest of the type contemplated by Rule 14a-11 promulgated under the Exchange Act or any successor provision; or

(iv) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(v) Any other transaction or event that the Board determines is a Change in Control in its sole discretion.

Notwithstanding the foregoing, no event or condition shall constitute a Change in Control to the extent that, if it were, a penalty tax would be imposed under Section 409A of the Code; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (e.g., if applicable, in respect of vesting without an acceleration of distribution) without causing the imposition of such penalty tax.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder.

(f) "Company Personnel" shall mean means any individual or entity that is or was at any time during the six (6)-month period prior to Executive's termination of employment, employed or engaged (whether as an employee, consultant, independent contractor or in any other capacity) by the Company or any of its subsidiaries or Affiliates.

(g) "Competitive Business" means any business or organization (whether or not for profit) that is engaged in the same or similar business(es) in which the Company is or was engaged during Executive's employment with the Company, including any business in which the Company has taken steps to engage in based on discussions or actions taken by or among senior management or the Board.

(h) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(i) "Good Reason" shall mean the occurrence of any of the following without Executive's prior written consent:

(i) a material diminution of Executive's authorities, duties, responsibilities;

(ii) a material reduction in Base Salary unless a similar reduction applies to all similarly-situated executives of the Company;

(iii) a material breach of this Agreement by the Company; or

(iv) the relocation of Executive's principal office location to a location that is more than fifty (50) miles from the location on the Transaction Date.

Notwithstanding the foregoing, Executive's employment shall not be terminated with Good Reason unless (w) Executive provides written notice to the Company of the event or condition alleged to constitute Good Reason within thirty (30) days after Executive first becomes aware that such event or condition has occurred or arisen, (x) such notice details the basis of such termination, (y) the Company reasonably fails to cure such event or condition within thirty (30) days after receipt of such notice, and (z) if the Company fails to reasonably cure such event or condition within such thirty (30) day period, Executive actually terminates his or her employment within thirty (30) days following the expiration of such thirty (30) day cure period.

(j) "Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, association or other entity or a governmental entity.

(k) "Restricted Period" shall mean the period of Executive's employment and twelve (12) months following the termination of Executive's employment for any reason.

(l) "Restricted Area" means anywhere in the world where Executive's use or disclosure of Confidential Information could disadvantage the Company.

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7. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any of its subsidiaries or Affiliates or to any successor to all or substantially all of the business or the assets of the Company or any subsidiary or Affiliate thereof (by merger or otherwise), provided that such successor expressly agrees to perform each and all obligations of the Company set forth herein. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective permitted successors and assigns. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and any applicable employee benefit plan, program, or arrangement, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

8. Parachute Payments.

(a) Notwithstanding any other provisions of this Agreement or any other agreement between the Parties, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 above, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") or would not be deductible by the Company or any of its subsidiaries or Affiliates pursuant to Section 280G of the Code (the "Deduction Loss"), then the Total Payments shall be reduced (in the order provided in Section 8(b) below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments and the Deduction Loss, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments). Executive shall execute any waiver or other documentation and take all other actions requested by the Company to acknowledge the reduction pursuant to this Section 8(a).

(b) The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; *provided*, in case of subclauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(c) The Company will make all determinations regarding the application of this Section 8, which determinations shall be final, binding and conclusive the Company, Executive, and all other interested Persons.

In the event it is later determined that to implement the objective and intent of this Section 8, (i) a greater reduction in the Total Payments should have been made, the excess amount shall be returned promptly by Executive to the Company or (ii) a lesser reduction in the Total Payments should have been made, the excess amount shall be paid or provided promptly by the Company to Executive, except to the extent the Company reasonably determines would result in imposition of a penalty tax under Section 409A.

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9. Miscellaneous Provisions.

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Nevada without reference to the principles of conflicts of law of the State of Nevada or any other jurisdiction that would result in application of the laws of a jurisdiction other than the State of Nevada, and where applicable, the laws of the United States.

(b) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(c) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and sent by email or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to:

USBC, Inc.
619 Western Avenue, Suite 610
Seattle, WA 98104
ATTN: Chief Executive Officer and Chief Financial Officer

Or to such other address for the Company as is set forth in the most recent publicly filing of the Company.

With a copy (which shall not constitute notice) to:
Lowenstein Sandler LLP
1251 6th Ave 17th Floor
New York, New York 10020
Telephone: 212.204.8697
Attention: Daniel Forman; Annie Nazarian Davydov
Email: dforman@lowenstein.com; anazarian@lowenstein.com

(ii) If to Executive, to the last address that the Company has in its personnel records for Executive;

or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile or PDF shall be deemed effective for all purposes.

(e) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral; *provided* that nothing in this Agreement shall supersede, modify or otherwise affect any restrictive covenant, invention assignment or confidentiality obligations imposed under any Company policy or any other agreement between Executive and the Company or any of its Affiliates, and in the event of any conflict between any such restrictive covenant, invention assignment or confidentiality obligation and this Agreement, the provisions which are broadest (including, without limitation, with respect to scope and duration), or otherwise most favorable to the Company, shall control. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(f) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized representative of Company. By an instrument in writing similarly executed, Executive or a duly authorized representative of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(g) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections, or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any", "all", "each", or "every" means "any and all", and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein", "hereof", "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Persons referred to may require. All determinations, interpretations, exercises of authority, or similar rights or actions by the Board or the Company hereunder shall be made by the Board or the Company, as applicable, in its sole and absolute discretion.

(h) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the Term, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(i) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges that the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(j) Whistleblower Protections and Defend Trade Secrets Act Disclosure. Notwithstanding anything to the contrary contained herein, (i) nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies), and (ii) this Agreement is not intended to, and shall not, in any way prohibit, limit or otherwise interfere with Executive's protected rights under federal, state or local law to, without notice to the Company: (A) communicate or file a charge with or provide information to a government regulator, such as, by way of example and not limitation, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization; (B) participate in an investigation or proceeding conducted by a government regulator; (C) receive an award paid by a government regulator for providing information; or (D) otherwise engage in activity protected by

applicable whistleblower laws. Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

(k) Recoupment of Erroneously Awarded Compensation. In accordance with the Nasdaq Stock Exchange and New York Stock Exchange listing standards and the requirements thereunder, the Company has adopted a clawback policy (the "Clawback Policy"). Executive acknowledges and agrees that as set forth in such Clawback Policy: (i) Executive shall be bound by and abide by the terms of the Clawback Policy as it currently exists, if any; (ii) if no Clawback Policy in currently in place, one may be adopted in the future and the Executive shall be bound by and abide by such terms of the Clawback Policy as adopted, (iii) the Clawback Policy may be amended or restated from time to time, and Executive shall be bound by and abide by the terms of the Clawback Policy as it may change over time; (iv) Executive shall cooperate and shall promptly return any incentive-based compensation that the Company determines is subject to recoupment under the Clawback Policy; and (v) any incentive-based or other compensation paid to Executive under any agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required by such law, government regulation or stock exchange listing requirement. The Board will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

(l) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement or any other arrangement between the Parties comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A. If the Company determines that any provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A, the Company may (but is not obligated to), take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service").

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) *Expense Reimbursements.* To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred; *provided*, that Executive submits Executive's reimbursement request in accordance with applicable Company policies as in effect from time to time (if any), the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A.

(vi) *Release*. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of Executive's termination of employment are subject to Executive's execution and delivery of a Release: (A) if Executive fails to execute the Release on or prior to the Release Expiration Date or timely revokes Executive's acceptance of the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release; and (B) in any case where Executive's Date of Termination and the Release Expiration Date (and any applicable revocation period) plus the first regularly scheduled payroll date thereafter fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes hereof, "Release Expiration Date" shall mean the date that is at least twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive or, in the event that Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is at least forty-five (45) days following such delivery date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive's termination of employment are delayed pursuant to this Section 9(n)(vi), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and does not revoke the Release (and the applicable revocation period has expired).

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10. Prior Employment.

Executive represents and warrants that Executive's acceptance of continued employment with the Company has not breached, and the continued performance of Executive's duties hereunder will not breach, any duty owed by Executive to any prior employer or other Person. Executive further represents and warrants to the Company that (a) the continued performance of Executive's obligations hereunder will not violate any agreement between Executive and any other Person; (b) Executive is not bound by the terms of any agreement with any previous employer or other Person to refrain from competing, directly or indirectly, with the business of such previous employer or other Person that would be violated by Executive entering into this Agreement or providing continued services to the Company pursuant to the terms of this Agreement; and (c) Executive's continued performance of Executive's duties under this Agreement will not require Executive to, and Executive shall not, rely on in the continued performance of Executive's duties or disclose to the Company or any other Person or induce the Company in any way to use or rely on any trade secret or other confidential or proprietary information or material belonging to any previous employer of Executive.

11. Executive Acknowledgement.

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the 6th day of August, 2025.

USBC, INC.

By: */s/ Gregory Kidd*
Name: Gregory Kidd
Title: Chief Executive Officer

EXECUTIVE

/s/ Kirk Chapman
Kirk Chapman

[Signature Page to Employment Agreement]

EXHIBIT 10.6

INCENTIVE STOCK OPTION GRANT AGREEMENT

USBC, INC.

This Incentive Stock Option Grant Agreement (the "Grant Agreement") is made and entered into effective on the Date of Grant set forth in Exhibit A (the "Date of Grant") by and between USBC, Inc. (formerly, Know Labs, Inc.), a Nevada corporation (the "Company"), and the individual named in Exhibit A hereto (the "Optionee").

WHEREAS, the Company desires to provide the Optionee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to grant the Optionee an option pursuant to the USBC, Inc. 2021 Equity Incentive Plan (formerly, the Know Labs, Inc. 2021 Equity Incentive Plan) (the "Plan") to acquire the Company's common stock, par value $0.001 per share (the "Common Stock");

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for good and valuable consideration, the parties hereto agree as follows:

1. Grant. The Company hereby grants the Optionee an Incentive Stock Option (the "Option") to purchase up to the number of shares of Common Stock (the "Shares") set forth in Exhibit A hereto at the exercise price per Share (the "Exercise Price") set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the Plan, the terms of which are incorporated herein by reference. Capitalized terms used but not otherwise defined in this Grant Agreement shall have the meanings as set forth in the Plan.

This Option is intended to qualify as an Incentive Stock Option ("ISO") under Section 422 of the Code. However, notwithstanding such designation, if the Optionee becomes eligible in any given year to exercise ISOs for Shares having a Fair Market Value in excess of $100,000, those options representing the excess shall be treated as Nonqualified Stock Options. In the previous sentence, "ISOs" include ISOs granted under any plan of the Company, Related Company or any of their respective parents or any subsidiaries. For the purpose of deciding which options apply to Shares that "exceed" the $100,000 limit, ISOs shall be taken into account in the same order as granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted. The Optionee hereby acknowledges that there is no assurance that the Option will, in fact, be treated as an Incentive Stock Option under Section 422 of the Code.

The Optionee understands that in order to obtain the tax benefits of an ISO, no sale or other disposition may be made of shares for which ISO treatment is desired within one (1) year following the date of exercise of the Option or within two (2) years from the Date of Grant. The Optionee understands and agrees that neither the Company nor the Related Companies shall be liable or responsible for any additional tax liability the Optionee incurs in the event that the Internal Revenue Service for any reason determines that this Option does not qualify as an ISO under Section 422 of the Code.

If the Optionee disposes of the shares of Common Stock prior to the expiration of either two (2) years from the Date of Grant or one (1) year from the date the shares are transferred to the Optionee pursuant to the exercise of the Option (a "Disqualifying Disposition"), the Optionee shall notify the Company in writing within thirty (30) days after such disposition of the date and terms of such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions as the Company requires for tax purposes.

2. Vesting. Except as otherwise provided in this Grant Agreement, this Option will vest and become exercisable, in whole or in part, with respect to twenty-five percent (25%) of the total number of Shares subject to the Option as set forth on Exhibit A on the First Vesting Date (as set forth on Exhibit A), and the remaining Shares Subject to the Option will vest and become exercisable in twelve (12) equal quarterly installments over the three (3) year period commencing with the First Quarterly Vesting Date set forth on Exhibit A and continuing on each 90th day anniversary of such First Quarterly Vesting Date thereafter; provided, however, that no portion of this Option will vest after the date on which the Optionee incurs a Termination of Service.

3. Exercise Period Following Termination of Service. This Option shall terminate and be canceled to the extent not exercised within three (3) months following the Optionee's Termination of Service, except that if such termination is due to the Optionee's death or permanent and total disability within the meaning of Section 22(e)(3) of the Code, this Option shall terminate and be canceled one (1) year from the date of Optionee's Termination of Service. Notwithstanding the foregoing, in the event that the Optionee's Termination of Service is for Cause, then the Option shall immediately terminate on the date of such Termination of Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

For purposes of this Grant Agreement, "Cause" shall mean, unless otherwise defined in a written employment, services or other agreement between the Participant and the Company or a Related Company, means the Participant's: (i) commission, indictment for or conviction of, or plea of guilty or nolo contendere to a felony or a crime involving dishonesty, fraud or moral turpitude, or the Participant engaging in any embezzlement, financial misappropriation or fraud, related to the Participant's employment with, or provision of services to, the Company or any subsidiary or Affiliate; (ii) the Participant's breach of the Participant's obligations to the Company or any of its subsidiaries or Affiliates or pursuant to this Agreement (including, but not limited to, any restrictive covenant obligation); (iii) the Participant's misconduct in connection with the Participant's performance of the Participant's duties for the Company or any subsidiary or Affiliate, which is harmful to the Company or any subsidiary or Affiliate; (iv) the Participant's violation of any U.S. federal securities laws, rules or regulations; (v) the Participant's violation of any Company policy or any other policy or procedure of a subsidiary or Affiliate of the Company; (vi) the Participant's habitual use of alcohol or drugs that materially impairs ability to perform duties; (vii) the Participant's gross negligence which is harmful to the Company or any of its subsidiaries or Affiliates; (viii) the Participant's commission of any act of sexual or other harassment or discrimination; or (ix) the Participant's failure (other than due to illness or injury) to perform the Participant's duties and responsibilities to the Company or the Participant's refusal to follow the reasonable and lawful directive of the Company related to performance of the Participant's duties, which directive is consistent with normal business practice. With respect to clauses (ii), (iii), (v), (vii) or (ix), the Participant will be given thirty (30) days to cure such event or condition giving rise to such termination for Cause (to the extent the Company deems such event or condition curable).

4. Method of Exercise. This Option is exercisable by delivery to the Company of an exercise notice (the "Exercise Notice") in the form set forth as Exhibit B hereto or in such other form or means as the Administrator may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares") and include such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Option may be exercised only for whole Shares. The entire Exercise Price of the Option shall be payable in full at the time of exercise to the extent permitted by applicable statutes and regulations, either:

(a) in cash or by certified or bank check at the time the Option is exercised;

(b) by delivery to the Company of other shares of Common Stock, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the Exercise Price (or portion thereof) due for the number of shares being acquired, or by means of attestation whereby the Optionee identifies for delivery specific shares that have a Fair Market Value on the date of attestation equal to the Exercise Price (or portion thereof) and receives a number of shares equal to the difference between the number of shares thereby purchased and the number of identified attestation shares (a "Stock for Stock Exchange");

(c) through a "cashless exercise program" established with a broker;

(d) by any combination of the foregoing methods; or

(e) in any other form of legal consideration that may be acceptable to the Administrator.

Upon exercise of the Option by the Optionee and prior to the delivery of such Exercised Shares, the Company shall have the right to require the Optionee to satisfy applicable Federal and state tax income tax withholding requirements, if any, and the Optionee's share of applicable employment withholding taxes, if any, in a method satisfactory to the Company. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements relating to the administration of stock option plans and other applicable equity plans under U.S. 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 stock grants or other applicable equity grants are made under the Plan; assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Shares.

Notwithstanding anything contained herein to the contrary, if the Option (to the extent vested) has not been exercised prior to the Expiration Date and the Fair Market Value of a share of Common Stock immediately prior to the Expiration Date exceeds the Exercise Price per Share set forth on Exhibit A, then the Option shall be deemed to have been exercised immediately prior to the Expiration Date and the Administrator shall cause the aggregate Exercise Price to be paid in any form permitted by Section 5 hereof.

5. Covenants Agreement. This Option shall be subject to forfeiture at the election of the Company in the event that the Optionee breaches any agreement between the Optionee and the Company or any Related Companies with respect to confidentiality, noncompetition, nonsolicitation, nondisparagement, assignment of inventions and contributions and/or nondisclosure obligations of the Optionee.

6. Taxes. By executing this Grant Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, including without limitation any taxes arising under Section 409A of the Code (regarding deferred compensation) or Section 4999 of the Code (regarding golden parachute excise taxes), and that neither the Company nor the Administrator shall have any obligation whatsoever to pay such taxes or otherwise indemnify or hold Optionee harmless from any or all of such taxes.

7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Plan and this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

8. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by Federal or state law. The Company shall not be obligated to sell or issue any Shares or Exercised Shares pursuant to this Grant Agreement unless, on the date of sale and issuance thereof, such Shares are either registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws, or are exempt from registration thereunder. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

9. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Grant Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act. The

Optionee agrees not to sell, transfer or otherwise dispose of such Shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel.

10. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

11. Other Plans. No amounts of income received by the Optionee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

12. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only by continuing employment or service with the Company and/or its Related Companies (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Grant Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Related Companies to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Optionee may have entered into with the Company or any of its Related Companies; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

13. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Grant Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Grant Agreement and the Plan, the Plan shall be controlling, except as otherwise specifically provided in the Plan. This Grant Agreement shall be construed under the laws of the State of Washington, without regard to conflict of laws principles.

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14. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Grant Agreement. The Optionee has reviewed the Plan and this Grant Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Plan and this Grant Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Grant Agreement. The Optionee further agrees to notify the Company upon any change in the residence address indicated herein.

15. Section 409A. This Option is intended to be excepted from coverage under Section 409A and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without the Optionee's consent, modify or amend the terms of this Grant Agreement, impose conditions on the timing and effectiveness of the exercise of the Option by Optionee, or take any other action it deems necessary or advisable, to cause the Option to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted).

16. Data Privacy Consent. In order to administer the Plan and this Grant Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

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17. Compensation Recovery Policy. By accepting the Option, the Optionee acknowledges that the Optionee is fully bound by, and subject to all of the terms and conditions of, the Company's Compensation Recovery Policy, and the Optionee agrees to abide by the terms of such policy. To the extent that the Board or committee thereof determines that all or a portion of the Option or the shares of Common Stock issued on exercise of the Option must be cancelled, forfeited, repaid, or otherwise recovered by the Company, the Optionee shall promptly take whatever action is necessary to effectuate such cancellation, forfeiture, repayment, or recovery. No recovery of all or a portion of the Option under the Compensation Recovery Policy will be an event giving rise to a right to terminate for "Good Reason" under any agreement with the Company. In the event of any conflicts between the terms of the Compensation Recovery Policy and the terms of the Plan or this Agreement, the terms of the Compensation Recovery Policy shall govern.

18. Counterparts. This Grant Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Grant Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement as of the date set forth in Exhibit A.

USBC, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

INCENTIVE STOCK OPTION GRANT AGREEMENT

USBC, INC.

(a). **Optionee's Name**: _____

(b). **Date of Grant**: _____

(c). **Number of Shares Subject to the Option**: _____

(d). **Exercise Price**: $_____ **per Share**

(e). **Expiration Date**: _____

(f). **First Vesting Date: _____**

(g). **First Quarterly Vesting Date: _____**

_____ (Initials)
Optionee

_____ (Initials)
Company Signatory

EXHIBIT B

USBC, INC.
2021 EQUITY INCENTIVE PLAN

STOCK OPTION EXERCISE NOTICE

USBC, Inc.
Via E-Mail
legal@usbc.co

1. **Exercise of Option**. Effective as of today, _____, 202__ (the "Exercise Date"), the undersigned ("Purchaser") hereby elects to purchase _____ shares (the "Shares") of the Common Stock of USBC, Inc. (the "Company") under and pursuant to the Incentive Stock Option Grant Agreement dated _____, 202_ (the "Option Agreement"). Pursuant to the Option Agreement, the aggregate purchase price for the Shares is $_____ (the "Purchase Price"). Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto under the USBC, Inc. 2021 Equity Incentive Plan (the "Plan").

2. With respect to payment of the Purchase Price, select A or B as follows:

A. [ ] Full Payment. Purchaser herewith makes payment of a check the full Purchase Price to the Company, either:

[ ] by enclosing a check payable to USBC, Inc., or

[ ] by transfer of funds by wire transfer to the Company.

B. [ ] Cashless Exercise. Purchaser elects to exercise via "cashless exercise" through a broker approved by the Company, and agrees to execute and deliver all appropriate forms as may be required by such broker and/or the Company. I hereby authorize the broker will pay to the Company the Purchase Price plus an amount sufficient to cover all applicable taxes, as determined by the Company.

3. **Rights as Shareholder**. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares covered by the Option, notwithstanding the exercise of the Option. The Shares so acquired shall be issued to the Optionee as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance.

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4. **Tax Consultation**. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

5. **Entire Agreement; Governing Law**. The Option Agreement is incorporated herein by reference. This Agreement and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of Washington.

Submitted by:	Accepted by:
PURCHASER	**USBC, INC.**
_____	By: _____
_____ Print Name	_____ Print Name/Title
Date: _____	Date: _____

NONQUALIFIED STOCK OPTION GRANT AGREEMENT

USBC, INC.

This Nonqualified Stock Option Grant Agreement (the "Grant Agreement") is made and entered into effective on the Date of Grant set forth in Exhibit A (the "Date of Grant") by and between USBC, Inc. (formerly, Know Labs, Inc.), a Nevada corporation (the "Company"), and the individual named in Exhibit A hereto (the "Optionee").

WHEREAS, the Company desires to provide the Optionee an incentive to participate in the success and growth of the Company through the opportunity to earn a proprietary interest in the Company; and

WHEREAS, to give effect to the foregoing intention, the Company desires to grant the Optionee an option pursuant to the USBC, Inc. 2021 Equity Incentive Plan (formerly, the Know Labs, Inc. 2021 Equity Incentive Plan) (the "Plan") to acquire the Company's common stock, par value $0.001 per share (the "Common Stock");

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for good and valuable consideration, the parties hereto agree as follows:

1. Grant. The Company hereby grants the Optionee a Nonqualified Stock Option (the "Option") to purchase up to the number of shares of Common Stock (the "Shares") set forth in Exhibit A hereto at the exercise price per Share (the "Exercise Price") set forth in Exhibit A, subject to the terms and conditions set forth herein and the provisions of the Plan, the terms of which are incorporated herein by reference. Capitalized terms used but not otherwise defined in this Grant Agreement shall have the meanings as set forth in the Plan. This Option is not intended to qualify as an Incentive Stock Option ("ISO") under Section 422 of the Code.

2. Vesting. Except as otherwise provided in this Grant Agreement, this Option will vest and become exercisable, in whole or in part, with respect to twenty-five percent (25%) of the total number of Shares subject to the Option as set forth on Exhibit A on the First Vesting Date (as set forth on Exhibit A), and the remaining Shares Subject to the Option will vest and become exercisable in twelve (12) equal quarterly installments over the three (3) year period commencing with the First Quarterly Vesting Date set forth on Exhibit A and continuing on each 90th day anniversary of such First Quarterly Vesting Date thereafter; provided, however, that no portion of this Option will vest after the date on which the Optionee incurs a Termination of Service.

3. Exercise Period Following Termination of Service. This Option shall terminate and be canceled to the extent not exercised within three (3) months following the Optionee's Termination of Service, except that if such termination is due to the Optionee's death or permanent and total disability within the meaning of Section 22(e)(3) of the Code, this Option shall terminate and be canceled one (1) year from the date of the Optionee's Termination of Service. Notwithstanding the foregoing, in the event that the Optionee's Termination of Service is for Cause, then the Option shall immediately terminate on the date of such Termination of Service and shall not be exercisable for any period following such date. In no event, however, shall this Option be exercised later than the Expiration Date set forth in Exhibit A and in no event shall this Option be exercised for more Shares than the Shares which otherwise have become exercisable as of the date of termination.

For purposes of this Grant Agreement, "Cause" shall mean, unless otherwise defined in a written employment, services or other agreement between the Participant and the Company or a Related Company, means the Participant's: (i) commission, indictment for or conviction of, or plea of guilty or nolo contendere to a felony or a crime involving dishonesty, fraud or moral turpitude, or the Participant engaging in any embezzlement, financial misappropriation or fraud, related to the Participant's employment with, or provision of services to, the Company or any subsidiary or Affiliate; (ii) the Participant's breach of the Participant's obligations to the Company or any of its subsidiaries or Affiliates or pursuant to this Agreement (including, but not limited to, any restrictive covenant obligation); (iii) the Participant's misconduct in connection with the Participant's performance of the Participant's duties for the Company or any subsidiary or Affiliate, which is harmful to the Company or any subsidiary or Affiliate; (iv) the Participant's violation of any U.S. federal securities laws, rules or regulations; (v) the Participant's violation of any Company policy or any other policy or procedure of a subsidiary or Affiliate of the Company; (vi) the Participant's habitual use of alcohol or drugs that materially impairs ability to perform duties; (vii) the Participant's gross negligence which is harmful to the Company or any of its subsidiaries or Affiliates; (viii) the Participant's commission of any act of sexual or other harassment or discrimination; or (ix) the Participant's failure (other than due to illness or injury) to perform the Participant's duties and responsibilities to the Company or the Participant's refusal to follow the reasonable and lawful directive of the Company related to performance of the Participant's duties, which directive is consistent with normal business practice. With respect to clauses (ii), (iii), (v), (vii) or (ix), the Participant will be given thirty (30) days to cure such event or condition giving rise to such termination for Cause (to the extent the Company deems such event or condition curable).

4. Method of Exercise. This Option is exercisable by delivery to the Company of an exercise notice (the "Exercise Notice") in the form set forth as Exhibit B hereto or in such other form or means as the Administrator may permit or require. Any Exercise Notice shall state or provide the number of Shares with respect to which the Option is being exercised (the "Exercised Shares") and include such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Option may be exercised only for whole Shares. The entire Exercise Price of the Option shall be payable in full at the time of exercise to the extent permitted by applicable statutes and regulations, either:

(a) in cash or by certified or bank check at the time the Option is exercised;

(b) by delivery to the Company of other shares of Common Stock, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the Exercise Price (or portion thereof) due for the number of shares being acquired, or by means of attestation whereby the Optionee identifies for delivery specific shares that have a Fair Market Value on the date of attestation equal to the Exercise Price (or portion thereof) and

receives a number of shares equal to the difference between the number of shares thereby purchased and the number of identified attestation shares (a "Stock for Stock Exchange");

(c) through a "cashless exercise program" established with a broker;

(d) by any combination of the foregoing methods; or

(e) in any other form of legal consideration that may be acceptable to the Administrator.

Upon exercise of the Option by the Optionee and prior to the delivery of such Exercised Shares, the Company shall have the right to require the Optionee to satisfy applicable Federal and state tax income tax withholding requirements, if any, and the Optionee's share of applicable employment withholding taxes, if any, in a method satisfactory to the Company. Notwithstanding the foregoing, no Exercised Shares shall be issued unless such exercise and issuance complies with the requirements relating to the administration of stock option plans and other applicable equity plans under U.S. 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 stock grants or other applicable equity grants are made under the Plan; assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Shares.

Notwithstanding anything contained herein to the contrary, if the Option (to the extent vested) has not been exercised prior to the Expiration Date and the Fair Market Value of a share of Common Stock immediately prior to the Expiration Date exceeds the Exercise Price per Share set forth on Exhibit A, then the Option shall be deemed to have been exercised immediately prior to the Expiration Date and the Administrator shall cause the aggregate Exercise Price to be paid in any form permitted by Section 5 hereof.

5. Covenants Agreement. This Option shall be subject to forfeiture at the election of the Company in the event that the Optionee breaches any agreement between the Optionee and the Company or any Related Company with respect to confidentiality, noncompetition, nonsolicitation, nondisparagement, assignment of inventions and contributions and/or nondisclosure obligations of the Optionee.

6. Taxes. By executing this Grant Agreement, Optionee acknowledges and agrees that Optionee is solely responsible for the satisfaction of any applicable taxes that may be imposed on Optionee that arise as a result of the grant, vesting or exercise of the Option, including without limitation any taxes arising under Section 409A of the Code (regarding deferred compensation) or Section 4999 of the Code (regarding golden parachute excise taxes), and that neither the Company nor the Administrator shall have any obligation whatsoever to pay such taxes or otherwise indemnify or hold Optionee harmless from any or all of such taxes.

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7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the Plan and this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

8. Securities Matters. All Shares and Exercised Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by Federal or state law. The Company shall not be obligated to sell or issue any Shares or Exercised Shares pursuant to this Grant Agreement unless, on the date of sale and issuance thereof, such Shares are either registered under the Securities Act of 1933, as amended (the "Securities Act"), and all applicable state securities laws, or are exempt from registration thereunder. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

9. Investment Purpose. The Optionee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Optionee under this Grant Agreement will be acquired for investment for the Optionee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act. The Optionee agrees not to sell, transfer or otherwise dispose of such Shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel.

10. Lock-Up Agreement. The Optionee hereby agrees that in the event that the Optionee exercises this Option during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Optionee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Optionee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

11. Other Plans. No amounts of income received by the Optionee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise expressly provided in such plan.

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12. No Guarantee of Continued Service. The Optionee acknowledges and agrees that the right to exercise the Option pursuant to the exercise schedule hereof is earned only by continuing employment or service with the Company and/or its Related Companies (and not through the act of being hired, being granted an option or purchasing shares hereunder). The Optionee further acknowledges and agrees that (i) this Grant Agreement, the transactions contemplated hereunder and the exercise schedule set forth herein do not constitute an express or implied promise of continued employment or service for the exercise period or for any other period, and shall not interfere with the Optionee's right or the right of the Company or its Related Companies to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment

agreement that the Optionee may have entered into with the Company or any of its Related Companies; and (ii) the Company would not have granted this Option to the Optionee but for these acknowledgements and agreements.

13. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Grant Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. In the event of any conflict between this Grant Agreement and the Plan, the Plan shall be controlling, except as otherwise specifically provided in the Plan. This Grant Agreement shall be construed under the laws of the State of Washington, without regard to conflict of laws principles.

14. Opportunity for Review. Optionee and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Grant Agreement. The Optionee has reviewed the Plan and this Grant Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Plan and this Grant Agreement. The Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan and this Grant Agreement. The Optionee further agrees to notify the Company upon any change in the residence address indicated herein.

15. Section 409A. This Option is intended to be excepted from coverage under Section 409A and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without the Optionee's consent, modify or amend the terms of this Grant Agreement, impose conditions on the timing and effectiveness of the exercise of the Option by Optionee, or take any other action it deems necessary or advisable, to cause the Option to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted).

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16. Data Privacy Consent. In order to administer the Plan and this Grant Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

17. Compensation Recovery Policy. By accepting the Option, the Optionee acknowledges that the Optionee is fully bound by, and subject to all of the terms and conditions of, the Company's Compensation Recovery Policy, and the Optionee agrees to abide by the terms of such policy. To the extent that the Board or committee thereof determines that all or a portion of the Option or the shares of Common Stock issued on exercise of the Option must be cancelled, forfeited, repaid, or otherwise recovered by the Company, the Optionee shall promptly take whatever action is necessary to effectuate such cancellation, forfeiture, repayment, or recovery. No recovery of all or a portion of the Option under the Compensation Recovery Policy will be an event giving rise to a right to terminate for "Good Reason" under any agreement with the Company. In the event of any conflicts between the terms of the Compensation Recovery Policy and the terms of the Plan or this Agreement, the terms of the Compensation Recovery Policy shall govern.

18. Counterparts. This Grant Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Grant Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement as of the date set forth in Exhibit A.

USBC, INC.

By: _____
Name:
Title:

OPTIONEE

_____
Name:

EXHIBIT A

NONQUALIFIED STOCK OPTION GRANT AGREEMENT

(a). **Optionee's Name**: _____

(b). **Date of Grant**: _____

(c). **Number of Shares Subject to the Option**: _____

(d). **Exercise Price**: $_____ **per Share**

(e). **Expiration Date**: _____

(f). **First Vesting Date**: _____

(g). **First Quarterly Vesting Date**: _____

_____ (Initials)
Optionee

_____ (Initials)
Company Signatory

EXHIBIT B

USBC, INC.
2021 EQUITY INCENTIVE PLAN

STOCK OPTION EXERCISE NOTICE

USBC, Inc.
Via E-mail
legal@usbc.co

1. **Exercise of Option**. Effective as of today, _____, 202__ (the "Exercise Date"), the undersigned ("Purchaser") hereby elects to purchase _____ shares (the "Shares") of the Common Stock of USBC, Inc. (the "Company") under and pursuant to the Nonqualified Stock Option Grant Agreement dated _____, 202_ (the "Option Agreement"). Pursuant to the Option Agreement, the aggregate purchase price for the Shares is $_____ (the "Purchase Price"). Capitalized terms used herein and not otherwise defined shall have the meaning assigned thereto under the USBC, Inc. 2021 Equity Incentive Plan (the "Plan").

2. With respect to payment of the Purchase Price, select A or B as follows:

A. [ ] Full Payment. Purchaser herewith makes payment of a check the full Purchase Price to the Company, either:

[ ] by enclosing a check payable to USBC, Inc., or

[ ] by transfer of funds by wire transfer to the Company.

B. [ ] Cashless Exercise. Purchaser elects to exercise via "cashless exercise" through a broker approved by the Company and agrees to execute and deliver all appropriate forms as may be required by such broker and/or the Company. I hereby authorize the broker will pay to the Company the Purchase Price plus an amount sufficient to cover all applicable taxes, as determined by the Company.

3. **Rights as Shareholder**. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares covered by the Option, notwithstanding the exercise of the Option. The Shares so acquired shall be issued to the Optionee as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance.

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4. **Tax Consultation**. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

5. **Entire Agreement; Governing Law**. The Option Agreement is incorporated herein by reference. This Agreement and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of Washington.

Submitted by:

PURCHASER

_____

_____
Print Name

Date: _____

Accepted by:

USBC, INC.

By: _____

_____
Print Name/Title

Date: _____

RESTRICTED AND UNRESTRICTED STOCK AWARD NOTICE
USBC, INC.
2021 EQUITY INCENTIVE PLAN

USBC, Inc. (the "**Company**"), pursuant to its 2021 Equity Incentive Plan (the "**Plan**"), has granted to Participant Restricted Stock and an (unrestricted) Stock Award (collectively, the "**Award**"). This Award is subject to all of the terms and conditions set forth in this Restricted and Unrestricted Stock Award Notice (the "**Award Notice**"), the Plan and the Restricted Stock Award Agreement set forth as Exhibit A hereto (the "**Award Agreement**"), all each of which are incorporated herein in their entirety. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan, a copy of which is enclosed.

AWARDEE: Ron Erickson
AWARD DATE: August 5, 2025
(UNRESTRICTED) STOCK AWARD SHARES: 167,500
RESTRICTED SHARES : 167,500
VESTING COMMENCEMENT DATE August 5, 2025
FIRST QUARTERLY VESTING DATE: February 5, 2026
VESTING SCHEDULE:

All of the (unrestricted) Stock Award Shares shall be fully vested and issued without restrictions as of the Award Date.

The Restricted Shares shall vest, and the restrictions with respect to such Restricted Shares shall lapse, in eight (8) quarterly installments over the two (2) year period commencing with the First Vesting Date and continuing on each 90th day anniversary of such First Vesting Date thereafter; provided, however, that no portion of the Restricted Shares Awarded will vest or be released from the restrictions after the date on which the Awardee incurs a Termination of Service. To avoid fractional shares, the number of Restricted Shares that vest with each quarterly installment shall be 20,937; provided that the final installment shall be 20,941.

Notwithstanding the foregoing, any unvested Restricted Shares shall fully vest and all restrictions with respect to such restricted Shares shall lapse upon either: (i) the Awardee's termination of employment by the Company without "Cause" or the Awardee's resignation from employment with the Company with "Good Reason" (as such terms are defined in that certain Employment Agreement by and between the Company and Awardee dated August 6, 2025 or (ii) the consummation of a spin-off, sale or assignment of all or substantially all of the Company's sensor related intellectual property to an unrelated third party, provided that the consummation of such a transaction occurs prior to Awardee's Termination of Service.

Shares of Restricted Stock that vest pursuant to the foregoing paragraph are referred to as "**Vested Shares**". Except as provided above, if the Awardee incurs a Termination of Service, all shares of Restricted Stock that have not as of such event become Vested Shares shall be forfeited and automatically revert back to the Company.

By the Awardee's signature and the signature of the Company's representative below, the Awardee and the Company agree that this award of Restricted Stock is granted under and governed by the terms and conditions of the Plan, this Award Notice and the Award Agreement, each of which are attached hereto and incorporated by reference herein. The Awardee acknowledges receipt of and has reviewed the Plan this Award Notice and the Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Notice. The Awardee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, this Award Notice and the Award Agreement.

This Award Notice may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

AWARDEE

By: _____
Name: _____
Date: _____

USBC, Inc.

By: _____
Name: _____
Title: _____
Date: _____

Attachments:

1. Restricted Stock and Unrestricted Stock Award Agreement (and Appendixes)
2. 2021 Equity Incentive Plan

RESTRICTED AND UNRESTRICTED STOCK AWARD AGREEMENT

USBC, Inc.

Pursuant to the terms of the Restricted and Unrestricted Stock Award Notice (the "**Award Notice**") and this Restricted and Unrestricted Stock Award Agreement (the "**Agreement**"), USBC, Inc., a Nevada corporation (the "**Company**"), has granted to the Awardee (as defined in the Award Notice) and an (unrestricted) Stock Award and a Restricted Stock award under its 2021 Equity Incentive Plan (the "**Plan**") as indicated in the Award Notice. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan. The Awardee agrees to be bound by the terms and conditions of the Plan, which are incorporated herein by reference and which control in case of any conflict with this Agreement:

A. AWARD. The Company hereby grants the Awardee an (unrestricted) Stock Award and a Restricted Stock award (the "**Award**") with respect to the respective number of shares of Common Stock (the "**Shares**") set forth in the Award Notice. The Restricted Shares shown in the Award Notice shall be subject to the terms and conditions set forth in this Agreement and the provisions of the Plan, the terms of which are incorporated herein by reference. As soon as reasonably practicable after the Award Date, the Company shall issue a stock certificates (or provide for book entry of the shares) in the Awardee's name that corresponds to the Unrestricted Stock Award Shares shown in the Award Notice.

B. LAPSING FORFEITURE PROVISIONS. Subject to the terms of this Agreement, the Restricted Shares shall be automatically forfeited and revert back to the Company to the extent that the Shares are forfeited pursuant to the Award Notice or this Agreement or vesting of such Shares cannot by the terms hereof be satisfied.

C. TRANSFER RESTRICTIONS. Except to the extent that the Restricted Shares become Vested Shares, the Awardee shall not sell, assign, pledge or otherwise transfer (voluntarily or involuntarily) any of the Restricted Shares. Such transfer restrictions shall lapse with respect to Restricted Shares that become vested under the Award Notice. As a condition of the grant of this Award, the Awardee shall be required to execute a stock power in blank in the form of Appendix A hereto with respect to any Shares issued pursuant to this Agreement.

D. ADJUSTMENT OF SHARES. Notwithstanding anything contained herein to the contrary, in the event of any change in the Common Stock resulting from a corporate transaction including, but not limited to, a subdivision or consolidation, reorganization, recapitalization, merger, share split, reverse share split, share distribution, combination of shares or the payment of a share dividend, the Restricted Shares shall be treated in the same manner in any such transaction as other Common Stock except with respect to the vesting of the Restricted Shares. Any Common Stock or other securities received by the Awardee as a result of such transaction with respect to the Restricted Shares shall be subject to the restrictions and conditions set forth herein and on the Grant Award.

E. RIGHTS AS STOCKHOLDER. Subject to the terms of the Plan, the Awardee shall be entitled to all of the rights of a stockholder with respect to the Restricted Stock as of the Award Date (as set forth in the Award Notice), including, but not limited to, the right to vote such shares and receive dividends and other distributions payable with respect to same. The Plan Administrator may in its sole discretion require any dividends paid on the Restricted Shares to be reinvested in shares of Common Stock, which the Plan Administrator may in its sole discretion deem to be a part of the shares of Restricted Shares and subject to the same conditions and restrictions applicable thereto.

F. RECORDING; ESCROW OF SHARE CERTIFICATES. As soon as reasonably practicable after the Award Date, the Company shall issue one or more stock certificates (or provide for book entry of the shares) in the Awardee's name that corresponds to the Restricted Shares (the "**Certificate**"), and shall hold such Certificate in escrow for the Awardee's benefit, properly endorsed for transfer, until such time(s) as the Restricted Shares are forfeited to the Company or the restrictions with respect to such Shares lapse. The Company shall not be liable for any act it may do or fail to do with respect to the holding of the Certificate in escrow hereunder, provided it acts or fails to act in good faith and in the exercise of its sound judgment.

G. LEGEND. To the extent the Company issues a Certificate prior to the lapse of the restrictions on the Awardee's Restricted Shares, the Certificate shall bear the following legend:

> **THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE USBC, Inc. 2021 EQUITY INCENTIVE PLAN AND AN AGREEMENT ENTERED INTO BETWEEN The HOLDER OF THIS CERTIFICATE AND USBC, Inc. (WHICH TERMS AND CONDITIONS MAY INCLUDE, WITHOUT LIMITATION, CERTAIN TRANSFER RESTRICTIONS AND FORFEITURE CONDITIONS). COPIES OF THAT PLAN AND AGREEMENT ARE ON FILE IN THE PRINCIPAL OFFICES OF USBC, INC. AND WILL BE MADE AVAILABLE TO THE HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON REQUEST TO THE SECRETARY OF THE COMPANY.**

H. SECTION 83(b) ELECTION. As a condition of this Award, the Awardee hereby acknowledges that the Awardee has been informed that, with respect to the Restricted Shares, the Awardee may be permitted to file an election with the Internal Revenue Service, within thirty (30) days of the Award Date, electing pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "**Code**"), to be taxed currently on any difference between the purchase price of the Restricted Shares and the fair market value of the Shares on the date of purchase or Award. Absent such an election, taxable income would likely would be measured and recognized by the Awardee at the time or times at which the forfeiture restrictions on the Restricted Shares lapse. The Company is not making any representation as to whether the Awardee is permitted to file a Section 83(b) election. The Awardee is strongly encouraged to seek the advice of the Awardee's own tax consultants in connection with the issuance of the Restricted Shares and the advisability of filing of the election under Section 83(b) of the Code. A form of election under Section 83(b) is attached hereto as Appendix B for reference.

THE PARTICIPANT ACKNOWLEDGES THAT IT IS NOT THE COMPANY'S, BUT RATHER THE PARTICIPANT'S SOLE RESPONSIBILITY TO FILE THE ELECTION UNDER SECTION 83(b) TIMELY. TO THE EXTENT THE PARTICIPANT FILES A SECTION 83(b) ELECTION THE PARTICIPANT IS REQUIRED TO FURNISH A COPY TO THE COMPANY.

I. TAXES. The Company shall have the right to require the Awardee to remit to the Company, or to withhold from amounts payable to the Awardee, as compensation or otherwise, an amount sufficient to satisfy all federal, state and local withholding tax requirements (including, without limitation, any tax

resulting from (i) the award of unrestricted Stock Award Shares, (ii) the expiration of restrictions set forth hereunder that are applicable to Restricted Shares, or (iii) an election made by the Awardee under Section 83(b) of the Code). By executing this Award Agreement and Award Notice, the Awardee acknowledges and agrees that the Awardee is solely responsible for the satisfaction of any applicable taxes that may be imposed on the Awardee that arise as a result of the award or vesting of the Shares, including without limitation any taxes arising under Section 409A of the Code (regarding deferred compensation) or Section 4999 of the Code (regarding golden parachute excise taxes), and that neither the Company nor the Administrator shall have any obligation whatsoever to pay such taxes or otherwise indemnify or hold the Awardee harmless from any or all of such taxes.

J. Section 409A. The Award are intended to be excepted from coverage under Section 409A and shall be administered, interpreted and construed accordingly. The Company may, in its sole discretion and without the Awardee's consent, modify or amend the terms of the Award Notice or Award Agreement, impose conditions on the timing and effectiveness of the vesting of the Shares by the Awardee, or take any other action it deems necessary or advisable, to cause the Shares to be excepted from Section 409A (or to comply therewith to the extent the Company determines it is not excepted).

K. Plan Covenants. The Shares held by the Awardee shall be subject to forfeiture at the election of the Company in event that Awardee breaches any agreement between the Awardee and the Company or any Related Company with respect to confidentiality, noncompetition, nonsolicitation, nondisparagement, assignment of inventions and contributions and/or nondisclosure obligations of the Awardee. The Shares held by the Awardee shall be subject to certain terms and provisions of the Plan, including but not limited to: any drag-along, voting agreement, proxy, power of attorney, market standoff or right of first refusal provision in the Plan.

L. Securities Matters. All Shares and Vested Shares shall be subject to the restrictions on sale, encumbrance and other disposition provided by Federal or state law. The Company shall not be obligated to sell or issue any Shares or Vested Shares pursuant to this Award Notice or Award Agreement unless, on the date of sale and issuance thereof, such Shares are either registered under the Securities Act of 1933, as amended (the "**Securities Act**"), and all applicable state securities laws, or are exempt from registration thereunder. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary in order to achieve compliance with the Securities Act or the securities laws of any state or any other law.

M. Investment Purpose. The Awardee represents and warrants that unless the Shares are registered under the Securities Act, any and all Shares acquired by the Awardee under this Award Notice and Award Agreement will be acquired for investment for the Awardee's own account and not with a view to, for resale in connection with, or with an intent of participating directly or indirectly in, any distribution of such Shares within the meaning of the Securities Act. The Awardee agrees not to sell, transfer or otherwise dispose of such Shares unless they are either (1) registered under the Securties Act and all applicable state securities laws, or (2) exempt from such registration in the opinion of Company counsel.

N. Lock-Up Agreement. The Awardee hereby agrees that in the event that the Awardee obtains Shares during a period in which any directors or officers of the Company have agreed with one or more underwriters not to sell securities of the Company, then, as a condition to such exercise, the Awardee shall enter into an agreement, in form and substance satisfactory to the Company, pursuant to which the Awardee shall agree to restrictions on transferability of the Shares comparable to the restrictions agreed upon by such directors or officers of the Company.

O. PARTICIPANT REPRESENTATIONS. Awardee and the Company agree that the Shares are granted under and governed by the terms and conditions of the Plan and this Award Notice and Award Agreement. The Awardee has reviewed the Plan, Award Notice and Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Notice and Award Agreement and fully understands all provisions of the Plan, Award Notice and Award Agreement. The Awardee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, Award Notice and Award Agreement. The Awardee further agrees to notify the Company upon any change in the residence address indicated herein.

P. No Guarantee of Continued Service. The Participan acknowledges and agrees that (i) this Award Agreement, Award Notice, and the transactions contemplated hereunder and the vesting schedule set forth herein do not constitute an express or implied promise of continued employment or service for the vesting period or for any other period, and shall not interfere with the Awardee's right or the right of the Company or its Related Companies to terminate the employment or service relationship at any time, with or without cause, subject to the terms of any written employment agreement that the Awardee may have entered into with the Company or any of its Related Companies; and (ii) the Company would not have granted the Shares to the Awardee but for these acknowledgements and agreements..

Q. DATA PRIVACY CONSENT. In order to administer the Plan, Award Notice and Award Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Award Agreement (the "Relevant Information"). By entering into this Award Agreement, the Awardee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Awardee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Awardee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

R. COMPENSATION RECOVERY POLICY. By accepting the Shares, the Awardee acknowledges that the Awardee is fully bound by, and subject to all of the terms and conditions of, the Company's Compensation Recovery Policy, and the Awardee agrees to abide by the terms of such policy. To the extent that the Board or committee thereof determines that all or a portion of th Total Shares Granted or the Vested Shares must be cancelled, forfeited, repaid, or otherwise recovered by the Company, the Awardee shall promptly take whatever action is necessary to effectuate such cancellation, forfeiture, repayment,

or recovery. No recovery of all or a portion of the Shares under the Compensation Recovery Policy will be an event giving rise to a right to terminate for "Good Reason" under any agreement with the Company. In the event of any conflicts between the terms of the Compensation Recovery Policy and the terms of the Plan or this Award Agreement, the terms of the Compensation Recovery Policy shall govern.

S. ENTIRE AGREEMENT; GOVERNING LAW. The Plan is incorporated herein by reference. The Plan, Award Notice and Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Awardee with respect to the subject matter hereof and may not be modified adversely to the Awardee's interest except by means of a writing signed by the Company and the Awardee. In the event of any conflict between, Award Notice and Award Agreement and the Plan, the Plan shall be controlling, except as otherwise specifically provided in the Plan. The Award Notice and Award Agreement shall be construed under the laws of the State of Washington, without regard to conflict of laws principles.

T. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the Company and the Awardee and their respective permitted successors, assigns, heirs, beneficiaries and representatives. This Agreement is personal to the Awardee and may not be assigned by the Awardee without the prior consent of the Company. Any attempted assignment in violation of this Section shall be null and void.

U. AMENDMENT. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Awardee.

V. Counterparts. The Award Notice and Award Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to the Award Notice and Award Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

* * *

APPENDIX A

STOCK POWER

For Value Received, _____, hereby sells, assigns, and transfers unto USBC, Inc. (the "Company") all shares of common stock, par value $0.001 of USBC, Inc. issued pursuant to, and subject to the terms of, that certain Restricted Stock and Unrestricted Stock Award Agreement by and between the Company and the undersigned standing in his/her name on the books of the Company represented by Certificate Nos. _____ herewith, and does hereby irrevocably constitute and appoint _____ as his/her attorney to transfer the said stock on the books of the Company with full power of substitution in the premises.

Dated: _____ __, 2025

_____
Name: Ron Erickson

APPENDIX B

ELECTION UNDER SECTION 83(b)

OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to section 83(b) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "**Regulations**"), to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for the property. In connection with this election, the undersigned taxpayer supplies the following information:

1. The name, address and taxpayer identification number of the undersigned are:

   Name: _____

   Address: _____

   Social Security No.: _____

2. The election is being made with respect to ☑ shares of common stock, $0.001 par value per share (the "**Stock**") of USBC, Inc., a Delaware corporation (the "**Company**").

3. The date on which the Stock was transferred to the undersigned was ☑.

4. The taxable year for which this election is being made is calendar year ☑.

5. The property is subject to the following restrictions:

The above-mentioned shares may not be transferred and are subject to forfeiture under the terms of a Restricted Stock Award.

Disposition of the Stock is also subject to restrictions imposed under applicable federal and state securities laws regulating the transfer of unregistered securities.

6. The fair market value of the Stock at the time of transfer (determined without regard to any lapse restriction, as defined in §1.83-3(i) of the Regulations) was $☑ per share, multiplied by ☑ shares of common stock, for an aggregate fair market value of $☑.

7. The undersigned paid $☑ per share, multiplied by ☑ shares of common stock, for an aggregate amount of $☑ paid for the Stock.

8. Therefore, $☑ (the difference between the full fair market value of the Stock stated above and the amount paid by the undersigned, if any) is includible in the undersigned's gross income as compensation for services.

9. A copy of this election has been furnished to the Company as required by §1.83-2(d) of the Regulations. Under penalties of perjury, the undersigned taxpayer declares that, to the best of undersigned taxpayer's knowledge and belief, the information entered herein is true, correct, and complete.

10. This election was executed on [_____], 20[__].

Signature of Taxpayer

Signature of Spouse (as applicable)

INSTRUCTIONS FOR FILING SECTION 83(B) ELECTION

Attached is a form of election under section 83(b) of the Internal Revenue Code. You should consult your tax advisor to determine whether you wish to make an election under section 83(b). If, after consultation with your tax advisor, you wish to make such an election, you should complete, sign and date the election and then proceed as follows:

1. Execute three (3) counterparts of your completed election (plus one extra counterpart for each person other than you, if any, who receives property that is the subject of your election), retaining at least one photocopy for your records. If you are married and a resident of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, or Wisconsin or the Commonwealth of Puerto Rico, your spouse also should sign the election where indicated.

2. Send two (2) of the counterparts of the Section 83(b) election via certified mail, return receipt requested to the Internal Revenue Service at the address of the Internal Revenue Service Center where you will file your personal tax returns for the current year. Your transmittal letter should request the return of one (1) of the counterparts that has been date-stamped by the Internal Revenue Service, and you should enclose a self-addressed, stamped envelope so that the Internal Revenue Service may return the date-stamped counterpart to you.

We suggest that you have your original transmittal package date-stamped at the post office. The post office will provide you with a white certified receipt that includes a dated postmark. Your postmarked receipt is your proof of having timely filed the Section 83(b) election if you do not receive a date-stamped counterpart or other confirmation from the Internal Revenue Service. If and when you receive the date-stamped counterpart from the Internal Revenue Service, retain it for your records.

Please consult your personal tax advisor for the address of the office of the Internal Revenue Service to which you should mail your election form.

THE ELECTION SHOULD BE SENT IMMEDIATELY, BECAUSE **YOU ONLY HAVE 30 DAYS AFTER THE DATE THE SHARES WERE GRANTED TO YOU WITHIN WHICH TO MAKE THE ELECTION** – NO WAIVERS, LATE FILINGS OR EXTENSIONS ARE PERMITTED, AND THERE IS NO REMEDY FOR FAILURE TO FILE ON TIME. FURTHER, BE ADVISED THAT IF YOU MAKE THE SECTION 83(B) ELECTION, THE ELECTION IS IRREVOCABLE.

3. Deliver one counterpart of the completed election to the Company for its files.

4. If anyone other than you (*e.g.*, one of your family members) will receive property that is the subject of your election, deliver one counterpart of the completed election to each such person.

Greg Kidd & Know Labs Announce Closing of $125M Strategic Acquisition

- *Contribution of 1,000 Bitcoin to employ yield generation treasury strategy*
- *Corporate name and ticker symbol will change to USBC*
- *Greg Kidd to lead USBC as Chairman and CEO; USBC token sets new vision*

CRYSTAL BAY, NV and SEATTLE, WA --(BUSINESS WIRE) -- Greg Kidd and Know Labs, Inc. (NYSE American: KNW ("Know Labs" or the "Company") today announced the successful closing of the strategic acquisition of a controlling interest in the Company by Goldeneye 1995, LLC ("Buyer"), an affiliate of Mr. Kidd, on August 6, 2025, following approval by the Company's shareholders. Upon closing of the transaction, Mr. Kidd was appointed Chief Executive Officer and Chairman of the Board of Directors.

Subsequent to closing, the Company's corporate legal name will change to USBC, Inc., and its ticker symbol will change from KNW to USBC, unveiling a new vision centered on the USBC token. The USBC token is a U.S.-dollar denominated token leveraging digital identity and blockchain technology that is fully redeemable and earns high-yield rewards.

"The USBC token is an inclusive, compliant, and programmable digital dollar," said Greg Kidd. "We believe this approach delivers a new standard for trust and utility in digital money, generating sustainable growth, and long-term value creation for our shareholders."

USBC founding team member Linda Jenkinson has been appointed Vice Chair of the Board. As part of this board leadership transition, the composition of the full board of directors will be further assessed to ensure alignment with the Company's new strategic direction. Joining Mr. Kidd's executive leadership team are USBC founding team members Kirk Chapman as Chief Operating Officer and Kitty Payne as Chief Financial Officer, effective immediately. Ms. Payne and Mr. Chapman will lead the execution of the Company's new vision and will be supported by veteran USBC team members who designed and developed the USBC platform from its inception, bringing with them decades of expertise in technology and finance.

Know Labs founder, Ron Erickson, will serve as President of a new division of the Company that has retained a team of scientists to continue its proprietary diagnostic research in non-invasive medical technology. Mr. Erickson will provide his visionary guidance and strategic oversight in the role of Lead Director on the Company's Board.

Under the terms of the previously announced agreement, the Buyer contributed 1,000 Bitcoin and $15 million in cash to acquire 357.8 million new common shares. The Bitcoin will be employed by a yield generation treasury strategy and the cash contributed will be used to retire the Company's existing debt, redeem outstanding preferred equity, and provide working capital.

Effective August 15, 2025, the Company's ticker symbol will change from KNW to USBC. Shares of the Company's common stock will continue to trade on the NYSE American under the new name USBC, Inc. (NYSE American: USBC) and the CUSIP number will remain unchanged. No shareholder action is required in connection with these changes.

Advisors

Cohen & Company Capital Markets, a division of Cohen & Company Securities, LLC served as exclusive financial advisor and Lowenstein Sandler LLP acted as legal advisor to the Buyer. Sichenzia Ross Ference Carmel LLP acted as legal advisor to the Company.

About Know Labs, Inc.

Know Labs, Inc., is a publicly traded, industry leading technology company developing transformative financial services and non-invasive health monitoring solutions. Under the leadership of newly-appointed Chairman and CEO, Greg Kidd, the Company has begun its transition into a multi-disciplinary enterprise that also strategically invests in pioneering technologies spanning digital assets and banking.

As part of this shift, the Company is deploying a Bitcoin treasury strategy and investing in the further development of the USBC token, a digital U.S. dollar operating on blockchain technology embedded with digital identity that pays high-yield rewards through the USBC mobile app. With a focus on identity, inclusion, innovation, and risk management, the Company is dedicated to creating long-term shareholder value in a rapidly evolving financial landscape.

Follow Greg Kidd's insights on Substack covering news, industry perspectives, and updates from the USBC ecosystem: https://usbc.substack.com/

Forward Looking Statements

This release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "believe," "project," "estimate," "expect," strategy," "future," "likely," "may,", "should," "will" and similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the current intent, beliefs, expectations and assumptions of the Company, its directors or its officers regarding the future of its business, future plans and strategies including its cryptocurrency treasury strategy, projections, anticipated events and trends, the economy and other future conditions, current state and federal securities laws, and other laws and regulations related to digital assets . Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements. No forward-looking statement is a guarantee of future performance. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause the

Company's actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) fluctuations in the market price of Bitcoin and any associated unrealized gains or losses on digital assets that the Company may incur as a result of a decrease in the market price of Bitcoin below the value at which the Company's Bitcoin are carried on its balance sheet; (ii) the effect of and uncertainties related to the ongoing volatility in interest rates; (iii) the Company's ability to achieve and maintain profitability in the future; (iv) the impact of the regulatory environment on the Company's business and complexities with compliance related to such environment including changes in state or federal securities laws or other laws or regulations; (v) changes in the accounting treatment relating to the Company's Bitcoin holdings; (vi) the Company's ability to respond to general economic conditions; (vii) the Company's ability to manage its growth effectively and its expectations regarding the development and expansion of its business; (viii) the Company's ability to access sources of capital, including equity and debt financing and other sources of capital to finance operations and growth and (ix) other risks and uncertainties more fully detailed in the section captioned "Risk Factors" in the Company's most recent Annual Report on Form 10-K for the fiscal year ended September 30, 2024, Forms 10-Q and 8-K, and other reports filed with the SEC from time to time. As a result of these matters, changes in facts, assumptions not being realized or other circumstances, the Company's actual results may differ materially from the expected results discussed in the forward-looking statements contained in this press release. Forward-looking statements contained in this announcement are only made as of this date, and the Company undertakes no duty to update such information after the date of this announcement except as required under applicable law.

Know Labs Contact:
Alliance Advisors
investors@usbc.xyz

Risks Related to Ownership of our Common Stock

The Company is a "controlled company" within the meaning of the NYSE rules and, as a result, qualifies for exemptions from certain corporate governance requirements. The stockholders of the Company do not have the same protections afforded to stockholders of companies that are subject to such requirements.

As of the Closing, Greg Kidd, our newly-appointed Chief Executive Officer and Chairman of the Board, beneficially owned 81% of the outstanding Common Stock of the Company. As a result, the Company is a "controlled company" within the meaning of the NYSE Listed Company Manual. Under the NYSE rules, a company of which more than 50% of the voting power in the election of directors is held by an individual, group, or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements. For example, controlled companies:

- are not required to have a board of directors that is composed of a majority of "independent directors," as defined under the NYSE rules;
- are not required to have a compensation committee that is composed entirely of independent directors; and
- are not required to have director nominations be made, or recommended to the full board of directors, by its independent directors or by a nominations committee that is composed entirely of independent directors.

Accordingly, to the extent we choose to rely on these corporate governance exemptions, the stockholders of the Company will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Our largest stockholder will substantially influence our Company for the foreseeable future, including the outcome of matters requiring shareholder approval and such control may prevent you and other stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause the Company's stock price to decline.

Goldeneye 1995 LLC ("Goldeneye"), our largest stockholder, beneficially owns approximately 81% of the issued and outstanding shares of our common stock, on a fully diluted basis. Goldeneye is solely owned and managed by Robert Gregory Kidd, our Chief Executive Officer and Chairman. As a result, Mr. Kidd will have the ability to influence the election of our directors and the outcome of corporate actions requiring shareholder approval, such as: (i) a merger or a sale of our Company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our articles of incorporation and bylaws. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to our other shareholders and be disadvantageous to our shareholders with interests different from Goldeneye and Mr. Kidd. In addition, the significant concentration of stock ownership may adversely affect the market value of the Company's common stock due to investors' perception that conflicts of interest may exist or arise.

Risks Related to Our Bitcoin Treasury Strategy and Holdings

Our Bitcoin treasury strategy exposes us to various risks, including risks associated with Bitcoin.

Bitcoin is a highly volatile asset. Bitcoin is a highly volatile asset that has traded below $50,000 per Bitcoin and above $120,000 per Bitcoin in the past 12 months. The trading price of Bitcoin significantly decreased during prior periods, and such declines may occur again in the future.

Bitcoin does not inherently pay interest or dividends. Bitcoin does not inherently pay interest or other returns and we can only generate cash from our Bitcoin holdings if we sell our Bitcoin or implement strategies to create income streams or otherwise generate yield by using our Bitcoin holdings. Even though we are pursuing such strategies, we may be unable to create reliable income streams or otherwise generate yield from our Bitcoin holdings, and any such strategies may subject us to additional risks.

Our Bitcoin holdings may significantly impact our financial results and the market price of our common stock. Our Bitcoin holdings are expected to impact our financial results and the market price of our common stock. See "Risks Related to Our Bitcoin Treasury Strategy and Holdings – Our earnings may potentially experience variability in the future relating to our Bitcoin holdings."

Our assets are concentrated in Bitcoin. A large portion of our assets is concentrated in our Bitcoin holdings. The concentration of our assets in Bitcoin limits our ability to mitigate risk that could otherwise be achieved by holding a more diversified portfolio of treasury assets.

Our Bitcoin treasury strategy has not been tested over an extended period of time or under different market conditions We have just begun to implement our Bitcoin treasury strategy, which entails selling call options on our Bitcoin holdings in exchange for upfront premiums, which we then use to acquire more Bitcoin. This strategy has not been tested over an extended period of time or under different market conditions. For example, although we believe Bitcoin, due to its limited supply, has the potential to serve as a hedge against inflation in the long term, the short-term price of Bitcoin declined in recent periods during which the inflation rate increased. If Bitcoin prices were to decline or our Bitcoin treasury strategy otherwise proves unsuccessful, our financial condition, results of operations, and the market price of our common stock would be materially adversely impacted.

We will be subject to counterparty risks, including in particular risks relating to our custodians. Although we have implemented various measures that are designed to mitigate our counterparty risks, such as storing substantially all of the Bitcoin we own in custody accounts at U.S.-based, institutional-grade custodians and negotiating contractual arrangements intended to establish that our property interest in custodially-held Bitcoin is not subject to claims of our custodians' creditors, applicable insolvency law is not fully developed with respect to the holding of digital assets in custodial accounts. If our custodially-held Bitcoin were nevertheless considered to be the property of our custodians' estates in the event that any such custodians were to enter bankruptcy, receivership or similar insolvency proceedings, we could be treated as a general unsecured creditor of such custodians, inhibiting our ability to exercise ownership rights with respect to such Bitcoin, or delaying or hindering our access to our Bitcoin holdings, and this may ultimately result in the loss of the value related to some or all of such Bitcoin, which could have a material adverse effect on our financial condition as well as the market price of our common stock.

The broader digital assets industry is subject to counterparty risks, which could adversely impact the adoption rate, price, and use of Bitcoin. A series of high-profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry in recent years have highlighted the counterparty risks applicable to owning and transacting in digital assets. Although these bankruptcies, closures, liquidations and other events have not resulted in any loss or misappropriation of our Bitcoin, nor have such events adversely impacted our access to our Bitcoin, they have, in the short-term, likely negatively impacted the adoption rate and use of Bitcoin. Additional bankruptcies, closures, liquidations, regulatory enforcement actions or other events involving participants in the digital assets industry in the future may further negatively impact the adoption rate, price, and use of Bitcoin, limit the availability to us of financing collateralized by Bitcoin, or create or expose additional counterparty risks.

Recent changes in the accounting treatment of our Bitcoin holdings could have significant accounting impacts, including increasing the volatility of our results. ASU 2023-08 requires us to measure our bitcoin holdings at fair value in our statement of financial position, and to recognize gains and losses from changes in the fair value of our Bitcoin in net income each reporting period. ASU 2023-08 also requires us to provide certain interim and annual disclosures with respect to our Bitcoin holdings. Due in particular to the volatility in the price of Bitcoin, the adoption of ASU 2023-08 could have a material impact on our financial results, increase the volatility of our financial results, and affect the carrying value of our Bitcoin on our balance sheet. These impacts could in turn have a material adverse effect on our financial results and the market price of our common stock.

The broader digital assets industry, including the technology associated with digital assets, the rate of adoption and development of, and use cases for, digital assets, market perception of digital assets, and the legal, regulatory, and accounting treatment of digital assets are constantly developing and changing, and there may be additional risks in the future that are not possible to predict.

Bitcoin is a highly volatile asset, and fluctuations in the price of Bitcoin are likely influence our financial results and the market price of our common stock.

Bitcoin is a highly volatile asset, and fluctuations in the price of Bitcoin are likely to influence our financial results and the market price of our common stock. Our financial results and the market price of our common stock would be adversely affected, and our business and financial condition would be negatively impacted, if the price of Bitcoin decreased substantially (as it has in the past, including during 2022), including as a result of:

- decreased user and investor confidence in Bitcoin, including due to the various factors described herein;
- investment and trading activities, such as (i) trading activities of highly active retail and institutional users, speculators, miners and investors; (ii) actual or expected significant dispositions of Bitcoin by large holders, including the expected liquidation of digital assets seized by governments or associated with entities that have filed for bankruptcy protection, such as the (a) transfers of Bitcoin to claimants following proceedings related to a 2016 hack of Bitfinex, which claims are currently being adjudicated, (b) court-approved sales of 69,370 Bitcoin seized from the Silk Road marketplace by the U.S. Department of Justice; and (iii) actual or perceived manipulation of the spot or derivative markets for Bitcoin or spot Bitcoin exchange-traded products ("ETPs");
- negative publicity, media or social media coverage, or sentiment due to events in or relating to, or perception of, Bitcoin or the broader digital assets industry, for example, (i) public perception that Bitcoin can be used as a vehicle to circumvent sanctions, including sanctions imposed on Russia or certain regions related to the ongoing conflict between Russia and Ukraine, or to fund criminal or terrorist activities, such as the purported use of digital assets by Hamas to fund its terrorist attack against Israel in October 2023; (ii) expected or pending civil, criminal, regulatory enforcement or other high profile actions against major participants in the Bitcoin ecosystem; (iii) additional filings for bankruptcy protection or bankruptcy proceedings of major digital asset industry participants, such as the bankruptcy proceeding of FTX Trading and its affiliates; and (iv) the actual or perceived environmental impact of Bitcoin and related activities, including environmental concerns raised by private individuals, governmental and non-governmental organizations, and other actors related to the energy resources consumed in the Bitcoin mining process;
- changes in consumer preferences and the perceived value or prospects of Bitcoin;
- competition from other digital assets that exhibit better speed, security, scalability, or energy efficiency, that feature other more favored characteristics, that are backed by governments, including the U.S. government, or reserves of fiat currencies, or that represent ownership or security interests in physical assets;
- a decrease in the price of other digital assets, including stablecoins, or the crash or unavailability of stablecoins that are used as a medium of exchange for Bitcoin purchase and sale transactions, such as the crash of the stablecoin Terra USD in 2022, to the extent the decrease in the price of such other digital assets or the unavailability of such stablecoins may cause a decrease in the price of Bitcoin or adversely affect investor confidence in digital assets generally;
- the identification of Satoshi Nakamoto, the pseudonymous person or persons who developed Bitcoin, or the transfer of substantial amounts of Bitcoin from Bitcoin wallets attributed to Mr. Nakamoto;
- developments relating to the Bitcoin protocol, including (i) changes to the Bitcoin protocol that impact its security, speed, scalability, usability, or value, such as changes to the cryptographic security protocol underpinning the Bitcoin blockchain, changes to the maximum number of Bitcoin outstanding, changes to the mutability of transactions, changes relating to the size of blockchain blocks, and similar changes, (ii) failures to make upgrades to the Bitcoin protocol to adapt to security, technological, legal or other challenges, and (iii) changes to the Bitcoin protocol that introduce software bugs, security risks or other elements that adversely affect Bitcoin;

- disruptions, failures, unavailability, or interruptions in services of trading venues for Bitcoin, such as, for example, the announcement by the digital asset exchange FTX Trading that it would freeze withdrawals and transfers from its accounts and subsequent filing for bankruptcy protection and the SEC enforcement action brought against Binance Holdings Ltd., which was subsequently dismissed on May 29, 2025, which initially sought to freeze all of its assets during the pendency of the enforcement action and resulted in Binance discontinuing all fiat deposits and withdrawals in the U.S.;
- the filing for bankruptcy protection by, liquidation of, or market concerns about the financial viability of digital asset custodians, trading venues, lending platforms, investment funds, or other digital asset industry participants, such as the filing for bankruptcy protection by digital asset trading venues FTX Trading and BlockFi and digital asset lending platforms Celsius Network and Voyager Digital Holdings in 2022, the

ordered liquidation of the digital asset investment fund Three Arrows Capital in 2022, the announced liquidation of Silvergate Bank in 2023, the government-mandated closure and sale of Signature Bank in 2023, the placement of Prime Trust, LLC into receivership following a cease-and-desist order issued by the Nevada Department of Business and Industry in 2023, and the exit of Binance from the U.S. market as part of its settlement with the Department of Justice and other federal regulatory agencies;

- regulatory, legislative, enforcement and judicial actions that adversely affect the price, ownership, transferability, trading volumes, legality or public perception of Bitcoin, or that adversely affect the operations of or otherwise prevent digital asset custodians, trading venues, lending platforms or other digital assets industry participants from operating in a manner that allows them to continue to deliver services to the digital assets industry;
- further reductions in mining rewards of Bitcoin, including due to block reward halving events, which are events that occur after a specific period of time (the most recent of which occurred in April 2024) that reduce the block reward earned by "miners" who validate Bitcoin transactions, or increases in the costs associated with Bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of Bitcoin mining, which could further increase the costs associated with Bitcoin mining, any of which may cause a decline in support for the Bitcoin network;
- transaction congestion and fees associated with processing transactions on the Bitcoin network;
- macroeconomic changes, such as changes in the level of interest rates and inflation, fiscal and monetary policies of governments, trade restrictions, and fiat currency devaluations;
- developments in mathematics or technology, including in digital computing, algebraic geometry and quantum computing, that could result in the cryptography used by the Bitcoin blockchain becoming insecure or ineffective; and
- changes in national and international economic and political conditions, including, without limitation, federal government policies, trade tariffs and trade disputes, and the adverse impacts attributable to global conflicts, including those between Russia and Ukraine and in the Middle East.

Our operating results will be dependent on the price of digital assets, including Bitcoin. If such price declines, our business, operating results, and financial condition would be adversely affected.

Any declines in the volume of digital asset transactions, the price of digital assets, or market liquidity for digital assets generally may adversely affect our operating results. As part of our Bitcoin treasury strategy, we have significant investments in Bitcoin. Our operating results will be impacted by the change in the value of Bitcoin, and should we purchase, sell or trade Bitcoin in the future, by the revenue and profits we may generate from such purchases, sales or trades and the financial contracts linked to Bitcoin. The price of digital assets and associated demand for buying, selling, and trading of digital assets have historically been subject to significant volatility. For instance, in 2017 and 2021, the value of certain digital assets, including Bitcoin, experienced steep increases in value, followed by steep declines in 2018 and 2022. After recovering from the 2018 decline and reaching record highs in December 2021, the value of the total crypto market cap declined by approximately 64% in the twelve months ended December 31, 2022. The collapse of several companies in the digital asset industry such as Celsius, Voyager and FTX impacted digital assets prices in 2022 and the majority of 2023. We believe that the approval and launch of spot-based Bitcoin ETFs in the U.S. in the first quarter of 2024 and the election of President Donald Trump in the fourth quarter of 2024 drove up the crypto market capitalization again in 2024, but the crypto market generally declined in the first quarter of 2025. Bitcoin, however, realized significant gains in the first half of 2025. The price and trading volume of any digital asset is subject to significant uncertainty and volatility, and may significantly decline in the future, without recovery. Such uncertainty and volatility depend on a number of factors, including:

- market conditions across the cryptoeconomy;

- changes in liquidity, volume, and trading activities;
- trading activities on digital asset trading platforms worldwide, many of which may be unregulated, and may include manipulative activities;
- investment and trading activities of highly active retail and institutional users, speculators, miners, and investors;
- the speed and rate at which cryptocurrency is able to gain adoption as a medium of exchange, utility, store of value, consumptive asset, security instrument, or other financial assets worldwide, if at all;
- decreased user and investor confidence in digital assets and digital asset trading platforms;
- negative publicity and events relating to the cryptoeconomy;
- unpredictable social media coverage or "trending" of digital assets;
- the ability for digital assets to meet user and investor demands;
- the functionality and utility of digital assets and their associated ecosystems and networks, including digital assets designed for use in various applications;
- consumer preferences and perceived value of digital assets and digital asset markets;
- increased competition from other payment services or other digital assets that exhibit better speed, security, scalability, or other characteristics;
- regulatory (including enforcement) or legislative changes and updates affecting the cryptoeconomy;
- the characterization of digital assets under the laws of various jurisdictions around the world;
- the maintenance, troubleshooting, and development of the blockchain networks underlying digital assets, including by miners, validators, and developers worldwide;
- the ability for cryptocurrency networks to attract and retain miners or validators to secure and confirm transactions accurately and efficiently;
- ongoing technological viability and security of digital assets and their associated smart contracts, applications and networks, including vulnerabilities against hacks and scalability;
- fees and speed associated with processing digital asset transactions, including on the underlying blockchain networks and on digital asset trading platforms;
- financial strength of market participants;
- the availability and cost of funding and capital;
- the liquidity of digital asset trading platforms;
- interruptions in service from or failures of major digital asset trading platforms;
- availability of an active derivatives market for various digital assets;
- availability of banking and payment services to support cryptocurrency-related projects;
- level of interest rates and inflation;
- monetary policies of governments, trade restrictions, and fiat currency devaluations; and
- national and international economic and political conditions.

There is no assurance that any digital asset will maintain its value or that there will be meaningful levels of trading activities. For example, in 2022, demand for trading digital assets was muted in the wake of industry turmoil. In the event that the price of digital assets or the demand for trading digital assets declines, our business, operating results, and financial condition could be adversely affected.

Bitcoin and other digital assets are novel assets, and are subject to significant legal, commercial, regulatory and technical uncertainty.

Bitcoin and other digital assets are relatively novel and are subject to significant uncertainty, which could adversely impact their price. The application of state and federal securities laws and other laws and regulations to digital assets is unclear in certain respects, and it is possible that regulators in the United States or foreign countries may interpret or apply existing laws and regulations in a manner that adversely affects the price of Bitcoin or the ability of individuals or institutions such as us to own or transfer Bitcoin.

The U.S. federal government, states, regulatory agencies, and foreign countries, including the European Union, may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of Bitcoin or the ability of individuals or institutions such as us to own or transfer Bitcoin. For example, within the past several years:

- President Trump signed an executive order instructing a working group comprised of representatives from key federal agencies to evaluate measures that can be taken to provide regulatory clarity and certainty built on technology-neutral regulations for individuals and firms involved in digital assets, including through well-defined jurisdictional regulatory boundaries, and this working group is expected to submit a report with regulatory and legislative proposals;
- in January 2025, the SEC announced the formation of a "Crypto Task Force," which was created to provide clarity on the application of the federal securities laws to the crypto asset market and to recommend policy measures with respect to digital asset security status, registration and listing of digital asset-based investment vehicles, and digital asset custody, lending and staking;
- in June 2023, the SEC filed complaints against Binance Holdings Ltd. and Coinbase, Inc., and their respective affiliated entities, relating to, among other claims, that each party was operating as an unregistered securities exchange, broker, dealer, and clearing agency;
- in December 2020, the SEC filed a complaint against Ripple Labs, Inc., relating to, among other claims, that Ripple undertook the distribution of unregistered securities;
- in November 2023, the SEC filed a complaint against Payward Inc. and Payward Ventures Inc., together known as Kraken, alleging, among other claims, that Kraken's crypto trading platform was operating as an unregistered securities exchange, broker, dealer, and clearing agency;
- the European Union adopted Markets in Crypto Assets Regulation ("MiCA"), a comprehensive digital asset regulatory framework for the issuance and use of digital assets, like Bitcoin;
- in June 2023, the United Kingdom adopted and implemented the Financial Services and Markets Act 2023 ("FSMA 2023"), which regulates market activities in "cryptoassets;"
- in November 2023, Binance Holdings Ltd. and its then chief executive officer reached a settlement with the U.S. Department of Justice, CFTC, the U.S. Department of Treasury's Office of Foreign Asset Control, and the Financial Crimes Enforcement Network to resolve a multi-year investigation by the agencies and a civil suit brought by the CFTC, pursuant to which Binance Holdings Ltd. agreed to, among other things, pay $4.3 billion in penalties across the four agencies and to discontinue its operations in the United States; and
- in China, the People's Bank of China and the National Development and Reform Commission have outlawed cryptocurrency mining and declared all cryptocurrency transactions illegal within the country.

While the complaint against Coinbase, Inc. was dismissed in February 2025, the complaint against Payward Inc. and Payward Ventures Inc. was dismissed with prejudice in March 2025, and the complaint against Binance Holdings Ltd. was dismissed on May 29, 2025, the SEC or other regulatory agencies may initiate similar actions in the future, which could materially impact the price of Bitcoin and our ability to own or transfer Bitcoin. Further, in June of 2025 a federal judge in the Southern District of New York rejected a joint motion by Ripple Labs and the SEC that would have endorsed the $50 million fine to settle a civil lawsuit over the sale of alleged unregistered securities. Similar intervention by the U.S. courts may also materially impact the price of Bitcoin and our ability to own or transfer Bitcoin.

It is not possible to predict whether or when new laws will be enacted that change the legal framework governing digital assets or provide additional authorities to the SEC or other regulators, or whether or when any other federal, state or foreign legislative bodies will take any similar actions. It is also not possible to predict the nature of any such additional laws or authorities, how additional legislation or regulatory oversight might impact the ability of digital asset markets to function, the willingness of financial and other institutions to continue to provide services to the digital assets industry, or how any new laws or regulations, or changes to existing laws or regulations, might impact the value of digital assets generally and Bitcoin specifically. The consequences of any new law or regulation relating to digital assets and digital asset activities could adversely affect the market price of Bitcoin, as well as our ability to hold or transact in Bitcoin, and in turn adversely affect the market price of our common stock.

Moreover, the risks of engaging in a Bitcoin treasury strategy are relatively novel and have created, and could continue to create, complications due to the lack of experience that third parties have with companies engaging in such a strategy, such as increased costs of director and officer liability insurance or the potential inability to obtain such coverage on acceptable terms in the future.

The growth of the digital assets industry in general, and the use and acceptance of Bitcoin in particular, may also impact the price of Bitcoin and is subject to a high degree of uncertainty. The pace of worldwide growth in the adoption and use of Bitcoin may depend, for instance, on public familiarity with digital assets, ease of buying, accessing or gaining exposure to Bitcoin, institutional demand for Bitcoin as an investment asset, the participation of traditional financial institutions in the digital assets industry, consumer demand for Bitcoin as a store of value or means of payment, and the availability and popularity of alternatives to Bitcoin. Even if growth in Bitcoin adoption occurs in the near or medium-term, there is no assurance that Bitcoin usage will continue to grow over the long-term.

Because Bitcoin has no physical existence beyond the record of transactions on the Bitcoin blockchain, a variety of technical factors related to the Bitcoin blockchain could also impact the price of Bitcoin. For example, malicious attacks by miners, inadequate mining fees to incentivize validating of Bitcoin transactions, hard "forks" of the Bitcoin blockchain into multiple blockchains, airdrops, and advances in digital computing, algebraic geometry, and quantum computing could undercut the integrity of the Bitcoin blockchain and negatively affect the price of Bitcoin. In the occurrence of such events, there is a risk that we may not be able to access, claim, or benefit from such assets, or that doing so could expose us to additional risks or liabilities. The liquidity of Bitcoin may also be reduced and damage to the public perception of Bitcoin may occur, if financial institutions were to deny or limit banking services to businesses that hold Bitcoin, provide Bitcoin-related services or accept Bitcoin as payment, which could also decrease the price of Bitcoin. Actions by U.S. banking regulators, such as the issuance in February 2023 by Federal banking agencies of the "Interagency Liquidity Risk Statement," which cautioned banks on contagion risks posed by providing services to digital assets customers, and similar actions, have in the past resulted in or contributed to reductions in access to banking services for Bitcoin-related customers and service providers, or the willingness of traditional financial institution to participate in markets for digital assets. The liquidity of Bitcoin may also be impacted to the extent that changes in applicable laws and regulatory requirements negatively impact the ability of exchanges and trading venues to provide services for Bitcoin and other digital assets.

Our earnings may experience variability in the future relating to our Bitcoin holdings.

The price of Bitcoin has historically been subject to dramatic price fluctuations and is highly volatile.

ASU 2023-08 requires us to measure our bitcoin holdings at fair value in our statement of financial position, and to recognize gains and losses from changes in the fair value of our bitcoin in net income each reporting period. ASU 2023-08 also requires us to provide certain interim and annual disclosures with respect to our bitcoin holdings. As a result, volatility in our future earnings may be significant.

The availability of spot ETPs for Bitcoin and other digital assets may adversely affect the market price of our common stock.

Although Bitcoin and other digital assets have experienced a surge of investor attention since Bitcoin was invented in 2008, until recently investors in the United States had limited means to gain direct exposure to Bitcoin through traditional investment channels, and instead generally were only able to hold Bitcoin through "hosted" wallets provided by digital asset service providers or through "unhosted" wallets that expose the investor to risks associated with loss or hacking of their private keys. Given the relative novelty of digital assets, general lack of familiarity with the processes needed to hold Bitcoin directly, as well as the potential reluctance of financial planners and advisers to recommend direct Bitcoin holdings to their retail customers because of the manner in which such holdings are custodied, some investors have sought exposure to Bitcoin through investment vehicles that hold Bitcoin and issue shares representing fractional undivided interests in their underlying Bitcoin holdings. These vehicles, which were previously offered only to "accredited investors" on a private placement basis, have in the past traded at substantial premiums to net asset value, possibly due to the relative scarcity of traditional investment vehicles providing investment exposure to Bitcoin.

On January 10, 2024, the SEC approved the listing and trading of spot Bitcoin ETPs, the shares of which can be sold in public offerings and are traded on U.S. national securities exchanges. The approved ETPs commenced trading directly to the public on January 11, 2024, with a trading volume of $4.6 billion on the first trading day. To the extent investors view our common stock as providing exposure to Bitcoin, it is possible that the value of our common stock may be influenced by the trading activity and performance of these spot Bitcoin ETPs. Additionally, on May 23, 2024, the SEC approved rule changes permitting the listing and trading of spot ETPs that invest in ether, the main crypto asset supporting the Ethereum blockchain. The approved spot ETPs commenced trading directly to the public on July 23, 2024. The listing and trading of spot ETPs for ether offers investors another alternative to gain exposure to digital assets, which could result in a decline in the trading price of Bitcoin as well as a decline in the value of our common stock relative to the value of our Bitcoin.

Although we are an operating company, and we believe we offer a different value proposition than a Bitcoin investment vehicle such as a spot Bitcoin ETP, investors may nevertheless view our common stock as an alternative to an investment in an ETP, and choose to purchase shares of a spot Bitcoin ETP instead of our common stock. They may do so for a variety of reasons, including if they believe that ETPs offer a "pure play" exposure to Bitcoin that is generally not subject to federal income tax at the entity level as we are, or the other risk factors applicable to an operating business, such as ours. Additionally, unlike spot Bitcoin ETPs, we (i) do not seek for our common stock to track the value of the underlying Bitcoin we hold before payment of expenses and liabilities, (ii) do not benefit from various exemptions and relief under the Securities Exchange Act of 1934, as amended ("the Exchange Act"), including Regulation M, and other securities laws, which enable ETPs to continuously align the value of their shares to the price of the underlying assets they hold through share creation and redemption, (iii) do not operate pursuant to a trust agreement that would require us to pursue one or more stated investment objectives, and (iv) are not required to provide daily transparency as to our Bitcoin holdings or our daily net asset value. Furthermore, recommendations by broker-dealers to buy, hold, or sell complex products and non-traditional ETPs, or an investment strategy involving such products, may be subject to additional or heightened scrutiny that would not be applicable to broker-dealers making recommendations with respect to our securities. Based on how we are viewed in the market relative to ETPs, and other vehicles which offer economic exposure to Bitcoin, such as Bitcoin futures exchange-traded funds ("ETFs"), leveraged Bitcoin futures ETFs, and similar vehicles offered on international exchanges, any premium or discount in our common stock relative to the value of our Bitcoin holdings may increase or decrease in different market conditions.

As a result of the foregoing factors, availability of spot ETPs and ETFs for Bitcoin and other digital assets could have a material adverse effect on the market price of our common stock.

Our Bitcoin treasury strategy may subject us to enhanced regulatory oversight.

As noted above, several spot Bitcoin ETPs have received approval from the SEC to list their shares on a U.S. national securities exchange with continuous share creation and redemption at net asset value. Even though we are not, and do not function in the manner of, a spot Bitcoin ETP, it is possible that we nevertheless could face enhanced regulatory scrutiny from the SEC or other federal or state agencies due to our Bitcoin holdings.

All or a portion of our Bitcoin holdings may serve as collateral for indebtedness in the future. We are also pursuing strategies to create income streams or otherwise generate funds using our Bitcoin holdings. These types of Bitcoin-related transactions could be the subject of enhanced regulatory oversight. These and any other Bitcoin-related transactions we may enter into, beyond simply acquiring and holding Bitcoin, may subject us to additional regulatory compliance requirements and scrutiny, including under federal and state money services regulations, money transmitter licensing requirements and various commodity and securities laws and regulations.

Additional laws, guidance and policies may be issued by domestic and foreign regulators following the filing for Chapter 11 bankruptcy protection by FTX, one of the world's largest cryptocurrency exchanges, in November 2022. The FTX collapse may have increased regulatory focus on the digital assets industry. Increased enforcement activity and changes in the regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government or any new legislation affecting Bitcoin, as well as enforcement actions involving or impacting our trading venues, counterparties and custodians, may impose significant costs or significantly limit our ability to hold and transact in Bitcoin.

In addition, private actors that are wary of Bitcoin or the regulatory concerns associated with Bitcoin have in the past taken and may in the future take further actions that may have an adverse effect on our business or the market price of our common stock. For example, it is possible that a financial institution could restrict customers from buying shares of our common stock if it were to determine that our common stock's value is closely tied to the performance of Bitcoin, signaling a reluctance to facilitate exposure to virtual currencies.

Due to the unregulated nature and lack of transparency surrounding the operations of many Bitcoin trading venues, Bitcoin trading venues may experience greater fraud, security failures or regulatory or operational problems than trading venues for more established asset classes, which may result in a loss of confidence in Bitcoin trading venues and adversely affect the value of our Bitcoin.

Bitcoin trading venues are relatively new and, in many cases, unregulated. Furthermore, there are many Bitcoin trading venues which do not provide the public with significant information regarding their ownership structure, management teams, corporate practices and regulatory compliance. As a result, the marketplace may lose confidence in Bitcoin trading venues, including prominent exchanges that handle a significant volume of Bitcoin trading and/or are subject to regulatory oversight, in the event one or more Bitcoin trading venues cease or pause for a prolonged period the trading of Bitcoin or other digital assets, or experience fraud, significant volumes of withdrawal, security failures or operational problems.

In 2019, there were reports claiming that 80-95% of Bitcoin trading volume on trading venues was false or non-economic in nature, with specific focus on unregulated exchanges located outside of the United States. The SEC also alleged as part of its June 5, 2023, complaint against Binance Holdings Ltd. that Binance committed strategic and targeted "wash trading" through its affiliates to artificially inflate the volume of certain digital assets traded on its exchange. The SEC has also brought recent actions against individuals and digital asset market participants alleging that such persons artificially increased trading volumes in certain digital assets through wash trades, or repeated buying and selling of the same assets in fictitious transactions to manipulate their underlying trading price. Such reports and allegations may indicate that the Bitcoin market is significantly smaller than expected and that the United States makes up a significantly larger percentage of the Bitcoin market than is commonly understood. Any actual or perceived wash trading in the Bitcoin market, and any other fraudulent or manipulative acts and practices, could adversely affect the value of our Bitcoin.

Negative perception, a lack of stability in the broader Bitcoin markets and the closure, temporary shutdown or operational disruption of Bitcoin trading venues, lending institutions, institutional investors, institutional miners, custodians, or other major participants in the Bitcoin ecosystem, due to fraud, business failure, cybersecurity events, government-mandated regulation, bankruptcy, or for any other reason, may result in a decline in confidence in Bitcoin and the broader Bitcoin ecosystem and greater volatility in the price of Bitcoin. For example, in 2022, each of Celsius Network, Voyager Digital, Three Arrows Capital, FTX, and BlockFi filed for bankruptcy, following which the market prices of Bitcoin and other digital assets significantly declined. In addition, in June 2023, the SEC announced enforcement actions against Coinbase, Inc., and Binance Holdings Ltd., two providers of large trading venues for digital assets, which similarly was followed by a decrease in the market price of Bitcoin and other digital assets. These were followed in November 2023, by an SEC enforcement action against Payward Inc. and Payward Ventures Inc., together known as Kraken, another large trading venue for digital assets. While the complaint against Coinbase, Inc. was dismissed in February 2025, the complaint against Payward Inc. and Payward Ventures Inc. was dismissed with prejudice in March 2025, and the complaint against Binance Holdings Ltd. was dismissed on May 29, 2025, the SEC or other regulatory agencies may initiate similar actions in the future. As the price of our common stock is affected by the value of our Bitcoin holdings, the failure of a major participant in the Bitcoin ecosystem could have a material adverse effect on the market price of our common stock.

The concentration of our Bitcoin holdings and use of derivatives could enhance the risks inherent in our Bitcoin treasury strategy.

The concentration of our Bitcoin holdings limits the risk mitigation that we could achieve if we were to maintain a more diversified portfolio of treasury assets, and the absence of diversification enhances the risks inherent in our Bitcoin treasury strategy. Any future significant declines in the price of Bitcoin would have a more pronounced impact on our financial condition than if we owned a more diverse portfolio of treasury assets.

Our Bitcoin treasury strategy will involve the use of derivatives. Subject to the discretion of a third-party asset manager, who will execute the strategy, we will buy and sell put and call options on our Bitcoin holdings in exchange for upfront premiums, which we then use to acquire more Bitcoin. This strategy could further increase the concentration of our Bitcoin holdings and enhance the impact of declines in the price of Bitcoin on our financial condition. The options strategy also limits upside if the price of Bitcoin increases above the strike price. The strategy also exposes us to risks related to options and other derivatives, the prices of which could be highly volatile. Derivatives are a highly regulated financial product, and there may be additional regulatory requirements (and attendant costs) to be borne by us and any asset manager or advisor that we engage for these purposes. In addition, in accordance with GAAP, we would evaluate the fair value of these derivative instruments and make mark-to-market adjustments at the end of each accounting period. These adjustments could be of a greater magnitude when there is significant volatility in Bitcoin prices and may have a significant impact on our earnings.

The emergence or growth of other digital assets, including those with significant private or public sector backing, could have a negative impact on the price of Bitcoin and adversely affect our business.

Our assets are concentrated in our Bitcoin holdings. Accordingly, the emergence or growth of digital assets other than Bitcoin may have a material adverse effect on our financial condition. As of the date of this report, Bitcoin is the largest digital asset by market capitalization. However, there are numerous alternative digital assets and many entities, including consortiums and financial institutions, are researching and investing resources into private or permissioned blockchain platforms or digital assets that do not use proof-of-work mining like the Bitcoin network. For example, in late 2022, the Ethereum

network transitioned to a "proof-of-stake" mechanism for validating transactions that requires significantly less computing power than proof-of-work mining. The Ethereum network has completed another major upgrade since then and may undertake additional upgrades in the future. If the mechanisms for validating transactions in Ethereum and other alternative digital assets are perceived as superior to proof-of-work mining, those digital assets could gain market share relative to Bitcoin.

Other alternative digital assets that compete with Bitcoin in certain ways include "stablecoins," which are designed to maintain a constant price because of, for instance, their issuers' promise to hold high-quality liquid assets (such as U.S. dollar deposits and short-term U.S. treasury securities) equal to the total value of stablecoins in circulation. Stablecoins have grown rapidly as an alternative to Bitcoin and other digital assets as a medium of exchange and store of value, particularly on digital asset trading platforms.

Additionally, central banks in some countries have started to introduce digital forms of legal tender. For example, China's CBDC project was made available to consumers in January 2022, and governments including the United States, the United Kingdom, the European Union, and Israel have been discussing the potential creation of new CBDCs. Whether or not they incorporate blockchain or similar technology, CBDCs, as legal tender in the issuing jurisdiction, could also compete with, or replace, Bitcoin and other digital assets as a medium of exchange or store of value. As a result, the emergence or growth of these or other digital assets could cause the market price of Bitcoin to decrease, which could have a material adverse effect on our business, prospects, financial condition, and operating results.

Our Bitcoin holdings will be less liquid than our existing cash and cash equivalents and may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents.

Historically, the Bitcoin market has been characterized by significant volatility in price, limited liquidity and trading volumes compared to sovereign currencies markets, relative anonymity, a developing regulatory landscape, potential susceptibility to market abuse and manipulation, compliance and internal control failures at exchanges, and various other risks inherent in its entirely electronic, virtual form and decentralized network. During times of market instability, we may not be able to sell our Bitcoin at favorable prices or at all. For example, a number of Bitcoin trading venues temporarily halted deposits and withdrawals in 2022. As a result, our Bitcoin holdings may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents.

Further, the Bitcoin we hold with our custodian and transact with our trade execution partners does not enjoy the same protections as are available to cash or securities deposited with or transacted by institutions subject to regulation by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation.

Additionally, we may be unable to enter into term loans collateralized by our unencumbered Bitcoin or otherwise generate funds using our Bitcoin holdings, including in particular during times of market instability or when the price of Bitcoin has declined significantly. If we are unable to sell our Bitcoin, or otherwise generate funds using our Bitcoin holdings, or if we are forced to sell our Bitcoin at a significant loss, in order to meet our working capital requirements, our business and financial condition could be negatively impacted.

If we or our third-party service providers experience a security breach or cyberattack and unauthorized parties obtain access to our Bitcoin, or if our private keys are lost or destroyed, or other similar circumstances or events occur, we may lose some or all of our Bitcoin and our financial condition and results of operations could be materially adversely affected.

Substantially all of the Bitcoin we own will be held in custody accounts at one or more institutional-grade digital asset custodians. Further, third-party service providers provide us with material services in connection with the Bitcoin strategy. Security breaches and cyberattacks are of particular concern with respect to our Bitcoin. Bitcoin and other blockchain-based cryptocurrencies and the entities that provide services to participants in the Bitcoin ecosystem have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities. For example, in October 2021 it was reported that hackers exploited a flaw in the account recovery process and stole from the accounts of at least 6,000 customers of the Coinbase exchange, although the flaw was subsequently fixed and Coinbase reimbursed affected customers. Similarly, in November 2022, hackers exploited weaknesses in the security architecture of the FTX Trading digital asset exchange and reportedly stole over $400 million in digital assets from customers. A successful security breach or cyberattack could result in:

- a partial or total loss of our Bitcoin in a manner that may not be covered by insurance or the liability provisions of the custody agreements with the custodians who hold our Bitcoin;
- harm to our reputation and brand;
- improper disclosure of data and violations of applicable data privacy and other laws; or
- significant regulatory scrutiny, investigations, fines, penalties, and other legal, regulatory, contractual and financial exposure.

Further, any actual or perceived data security breach or cybersecurity attack directed at other companies with digital assets or companies that operate digital asset networks, regardless of whether we are directly impacted, could lead to a general loss of confidence in the broader Bitcoin blockchain ecosystem or in the use of the Bitcoin network to conduct financial transactions, which could negatively impact us.

Attacks upon systems across a variety of industries, including industries related to Bitcoin, are increasing in frequency, persistence, and sophistication, and, in many cases, are being conducted by sophisticated, well-funded and organized groups and individuals, including state actors. The techniques used to obtain unauthorized, improper or illegal access to systems and information (including personal data and digital assets), disable or degrade services, or sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognized or detected until after they have been launched against a target. These attacks may occur on our systems or those of our third-party service providers or partners. We may experience breaches of our security measures due to human error, malfeasance, insider threats, system errors or vulnerabilities or other irregularities. In particular, unauthorized parties have attempted, and we expect that they will continue to attempt, to gain access to our systems and facilities, as well as those of our partners and third-party service providers, through various means, such as hacking, social engineering, phishing and fraud. Threats can come from a variety of sources, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage, and insiders. In addition, certain types of attacks could harm us even if our systems are left undisturbed. For example, certain threats are designed to remain dormant or undetectable, sometimes for extended periods of time, or until launched against a target and we may not be able to implement adequate preventative measures. Further, there has been an increase in such activities due to the increase in work-from-home arrangements since the onset of the COVID-19 pandemic. The risk of cyberattacks could also be increased by

cyberwarfare in connection with geopolitical conflicts, such as the ongoing Russia-Ukraine conflict, or conflicts in the Middle East, including potential proliferation of malware into systems unrelated to such conflicts. Any future breach of our operations or those of others in the Bitcoin industry, including third-party services on which we rely, could materially and adversely affect our business.

We face risks relating to the use of third-party advisors in connection with the execution of our Bitcoin treasury strategy.

We have executed agreements with a number of third parties to provide advisory services related to the execution of our Bitcoin treasury strategy. We pay fees and incentive fees to such third parties, and may reimburse such third parties for certain expenses they incur. The fees may be based on a percentage of our net assets and, consequently, such third parties may have conflicts of interest in connection with decisions that could affect our net assets, such as decisions as to whether and when to make future investments. The departure or termination of, or any misconduct of the third party advisors, or of a significant number of professionals who act as agents of, or provide support to, the third party advisors, could have a material adverse effect on our business, financial condition or the results of our operations.

We face risks relating to the custody of our Bitcoin, including the loss or destruction of private keys required to access our Bitcoin and cyberattacks or other data loss relating to our Bitcoin.

We hold substantially all of our Bitcoin in custody accounts at a U.S.-based, institutional-grade custodian that has demonstrated records of regulatory compliance and information security, and as we further execute on our strategy, we may expand our holdings to multiple similar custodians. Our custodial services contract does, and any future contracts will, not restrict our ability to reallocate our Bitcoin among our custodians, and our Bitcoin holdings may be concentrated with a single custodian from time to time, such as presently as we negotiate new arrangements. In light of the significant amount of Bitcoin we hold, we will continually seek to engage additional custodians to achieve a greater degree of diversification in the custody of our Bitcoin as the extent of potential risk of loss is dependent, in part, on the degree of diversification. If there is a decrease in the availability of digital asset custodians that we believe can safely custody our Bitcoin, for example, due to regulatory developments or enforcement actions that cause custodians to discontinue or limit their services in the United States, we may need to enter into agreements that are less favorable or take other measures to custody our Bitcoin, and our ability to seek a greater degree of diversification in the use of custodial services would be materially adversely affected.

Any insurance that may cover losses of our Bitcoin holdings will cover only a small fraction of the value of the entirety of our Bitcoin holdings, and there can be no guarantee that such insurance will be maintained as part of the custodial services we have or that such coverage will cover losses with respect to our Bitcoin. Moreover, our use of custodians exposes us to the risk that the Bitcoin our custodians hold on our behalf could be subject to insolvency proceedings and we could be treated as a general unsecured creditor of the custodian, inhibiting our ability to exercise ownership rights with respect to such Bitcoin. Any loss associated with such insolvency proceedings is unlikely to be covered by any insurance coverage we may maintain related to our Bitcoin.

Bitcoin is controllable only by the possessor of both the unique public key and private key(s) relating to the local or online digital wallet in which the Bitcoin is held. While the Bitcoin blockchain ledger requires a public key relating to a digital wallet to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the Bitcoin held in such wallet. To the extent the private key(s) for a digital wallet are lost, destroyed, or otherwise compromised and no backup of the private key(s) is accessible, neither we nor our custodians will be able to access the Bitcoin held in the related digital wallet. Furthermore, we cannot provide assurance that our digital wallets, nor the digital wallets of our custodians held on our behalf, will not be compromised as a result of a cyberattack. The Bitcoin and blockchain ledger, as well as other digital assets and blockchain technologies, have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities.

Regulatory change reclassifying Bitcoin as a security could lead to our classification as an "investment company" under the Investment Company Act of 1940 and could adversely affect the market price of Bitcoin and the market price of our common stock.

Under Sections 3(a)(1)(A) and (C) of the Investment Company Act of 1940 (the "Investment Company Act"), a company generally will be deemed to be an "investment company" for purposes of the Investment Company Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

A significant portion of our assets are concentrated in our Bitcoin holdings. While senior SEC officials have stated their view that Bitcoin is not a "security" for purposes of the federal securities laws, a contrary determination by the SEC could lead to our classification as an "investment company" under the Investment Company Act, which would subject us to significant additional regulatory controls that could have a material adverse effect on our ability to execute on our Bitcoin treasury strategy, and our business and operations and may also require us to substantially change the manner in which we conduct our business.

In addition, if Bitcoin is determined to constitute a security for purposes of the federal securities laws, the additional regulatory restrictions imposed by such a determination could adversely affect the market price of Bitcoin and in turn, adversely affect the market price of our common stock.

Our Bitcoin treasury strategy exposes us to risk of non-performance by counterparties.

Our Bitcoin treasury strategy exposes us to the risk of non-performance by counterparties, whether contractual or otherwise. Risk of non-performance includes inability or refusal of a counterparty to perform because of a deterioration in the counterparty's financial condition and liquidity or for any other reason. For example, our execution partners, custodians, or other counterparties might fail to perform in accordance with the terms of our agreements with them, which could result in a loss of Bitcoin, a loss of the opportunity to generate funds, or other losses.

Our primary counterparty risk with respect to our Bitcoin is custodian performance obligations under the various custody arrangements we have entered into. A series of high-profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry, including the filings for bankruptcy protection by Three Arrows Capital, Celsius Network, Voyager Digital, FTX Trading and Genesis Global Capital, the closure or liquidation of certain financial institutions that provided lending and other services to the digital assets industry, including Signature Bank and Silvergate Bank, SEC enforcement actions against Coinbase, Inc., Binance Holdings Ltd., and Kraken, the placement of Prime Trust, LLC into receivership following a cease-and-desist order issued by Nevada's Department of Business and Industry, and the filing and subsequent settlement of a civil fraud lawsuit by the New York Attorney General against Genesis Global Capital, its parent company Digital Currency Group, Inc., and former partner Gemini Trust Company have highlighted the perceived and actual counterparty risk applicable to digital asset ownership and trading. Although these bankruptcies, closures and liquidations have not resulted in any loss or misappropriation of our Bitcoin, nor have such events adversely impacted our access to our Bitcoin, legal precedent created in these bankruptcy and other proceedings may increase the risk of future rulings adverse to our interests in the event one or more of our custodians becomes a debtor in a bankruptcy case or is the subject of other liquidation, insolvency or similar proceedings.

While all of our custodians are subject to regulatory regimes intended to protect customers in the event of a custodial bankruptcy, receivership or similar insolvency proceeding, no assurance can be provided that our custodially-held Bitcoin will not become part of the custodian's insolvency estate if one or more of our custodians enters bankruptcy, receivership or similar insolvency proceedings. Additionally, since we are pursuing strategies to create income streams or otherwise generate funds using our Bitcoin holdings, we are subject to additional counterparty risks. Any significant non-performance by counterparties, including in particular the custodians with which we custody substantially all of our Bitcoin, could have a material adverse effect on our business, prospects, financial condition, and operating results.

We are not subject to legal and regulatory obligations that apply to investment companies such as mutual funds and exchange-traded funds, or to obligations applicable to investment advisers.

While senior SEC officials have stated their view that Bitcoin is not a "security" for purposes of the federal securities laws, a contrary determination by the SEC could lead to our classification as an "investment company" under the Investment Company Act of 1940, which would subject us to significant additional regulatory controls that could have a material adverse effect on our ability to execute on our Bitcoin treasury strategy, and our business and operations and may also require us to substantially change the manner in which we conduct our business.

Mutual funds, ETFs and their directors and management are subject to extensive regulation as "investment companies" and "investment advisers" under U.S. federal and state law; this regulation is intended for the benefit and protection of investors. At this point in time, we are not subject to, and do not otherwise voluntarily comply with, these laws and regulations. This means, among other things, that the execution of or changes to our Bitcoin treasury strategy, our use of leverage, the manner in which our Bitcoin is custodied, our ability to engage in transactions with affiliated parties and our operating and investment activities generally are not subject to the extensive legal and regulatory requirements and prohibitions that apply to investment companies and investment advisers. For example, no shareholder or regulatory approval of a significant change to our Bitcoin treasury strategy is required. Consequently, our Board has broad discretion over the investment, leverage and cash management policies it authorizes, whether in respect of our Bitcoin holdings or other activities we may pursue, and has the power to change our current policies..

Risks Related to the Development of USBC

We are making substantial investments in our technology and infrastructure and unsuccessful investments could materially adversely affect our business, operating results, financial condition, and future prospects.

The digital asset industry is characterized by rapid technological change, changes in customer requirements, frequent new product and service introductions and enhancements, short product cycles, and evolving industry standards. In order to remain competitive, we expect to make significant investments in our technology and infrastructure. If we fail to further develop our platform or develop new and enhanced solutions, services, and technologies, focus on technologies that do not become widely adopted, or if new competitive technologies or industry standards that we do not support become widely accepted, demand for our products and services may be reduced. Increased investments in technology and infrastructure or unsuccessful improvement efforts could cause our cost structure to fall out of alignment with demand for our products and services, which would have a negative impact on our business, operating results, financial condition, and future prospects.

We depend on various third party partners, service providers and vendors, and any adverse changes in our relationships with these third parties could materially and adversely affect our business.

We depend on various third-party partners, service providers and vendors for certain products and services. Our USBC operations depend in part on our ability to effectively work with our business partners to provide customers with products such as deposit accounts and debit cards facilitated through our mobile app. We may also depend on third parties providing other digital currency-related services.

Any changes in our current or future relationships or loss of these partners, or any failure of them to perform their obligations in a timely manner or at all, could materially and adversely affect usage of USBC or impose additional costs or requirements or disadvantage us compared to our competitors. We also rely on relationships with third-party partners to obtain and maintain customers, and our ability to acquire new customers could be materially harmed if we are unable to enter into or maintain these relationships on terms that are commercially reasonable to us, or at all. In addition, we may be unable to renew our existing contracts with our significant third-party relationships, on terms favorable to us, or at all, or they may stop providing or otherwise supporting the products and services we obtain from them. We may not be able to obtain these or similar products or services on the same or similar terms as our existing arrangements, if at all.

We also rely on third-party service providers and vendors to perform various functions that are important to our business, including and not limited to underwriting, fraud detection, marketing, operational functions, cloud infrastructure services, information technology and telecommunications, and, because we are not a bank and cannot belong to or directly access the ACH payment network, ACH processing and debit and credit card payment processing. If one or more key third-party service providers or vendors were to cease to provide such functions for any reason, there could be delays in our ability to process transactions and perform other operational functions for which we are currently relying on such third-party service provider or vendor,

and we may not be able to promptly replace such third-party service provider or vendor on the same economic terms. The loss of those service providers or vendors could materially and adversely affect our business, results of operations and financial condition.

While we require our third-party partners, service providers and vendors to provide services to us in accordance with our agreements and regulatory requirements, we do not have control over their operations. In the event that such a third party for any reason fails to comply with legal or regulatory requirements or otherwise to perform its functions properly, our ability to conduct our business and perform other operational functions for which we rely on such third party will suffer, and our business, financial condition, results of operations and cash flows are likely to be negatively impacted.