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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **February 3, 2023**

**Innovative Food Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Florida**  
(State or other jurisdiction  
of incorporation)

**0-9376**  
(Commission  
File Number)

**20-1167761**  
(IRS Employer  
Identification No.)

**28411 Race Track Road, Bonita Springs, Florida**  
(Address of principal executive offices)

**34135**  
(Zip Code)

Registrant's telephone number, including area code: **(239) 596-0204**

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

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

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

Emerging growth company

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

Securities registered pursuant to Section 12(b) of the Act: None

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

On February 3, 2023, Innovative Food Holdings, Inc. (the “Company”) entered into an Executive Employment Agreement with Robert William Bennett (the “RWB Agreement”). The RWB Agreement provides, among other things, for Mr. Bennett to become the Company’s Chief Executive Officer; Mr. Bennett, and one designee, to be nominated to the Company’s Board of Directors during his tenure as CEO; employment at-will with an initial term of employment from February 28, 2023 through December 31, 2025 with 12 months of Base Salary as severance payments if terminated without cause or resignation with Good Reason; an annual Base Salary of \$375,000 with at least 3% annual increases with additional annual increases of 20% if certain cash flow metrics are met; a \$50,000 signing bonus; an additional Bonus, triggered based on certain conditions being met, of up to \$300,000 payable over time; annual incentive bonus equal to at least 50% of Base Salary; reimbursement of legal fees up to \$10,000; and participation in the Company’s benefit plans. Mr. Bennett is also subject to the Company’s clawback policies and certain restrictive covenants including confidentiality, non-compete and non-solicitation.

In addition, Mr. Bennett is eligible for stock grants based upon the market price of the Company’s common stock meeting certain price points at various 60-day volume weighted prices, as described in the chart below:

<b>Stock Threshold Target</b>	<b>Number of Shares Granted</b>
\$0.60	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 2.00% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 943,531
\$0.80	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 1.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 707,649
\$1.00	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 1.00% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 471,766
\$1.20	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.75% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 353,824
\$1.40	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.75% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 353,824
\$1.60	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 235,883
\$1.80	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 235,883
\$2.00	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 235,883

On February 3, 2023, the Company entered into an Agreement and General Release and a Side Letter thereto with Sam Klepfish (the “SK Agreements”). The SK Agreements provide, among other things, for Mr. Kelpfish’s resignation from all positions with the Company and its subsidiaries on the Separation Date, except that Mr. Klepfish will remain a director and Chairman of the Board of the Company, confidentiality and non-disparagement conditions, nomination of Mr. Klepfish for future election to the board of directors at least through the 2024 general meeting of shareholders based on certain minimum stock ownership and Board Observer rights when Mr. Klepfish is no longer a director but maintains certain minimum agreed upon stock ownership. The payment terms are \$250,000 upon effectiveness and \$6,410.26 in periodic weekly payments from March 8, 2023 through March 6, 2026, which, though documented, the total amounts of such payments is an unsecured debt obligation of the Company, delivery of 400,000 shares of the Company’s common stock 30 days after effectiveness and delivery on June 1, 2027 of additional shares of the Company’s common stock equal to the greater of (i) the number of shares with an aggregate fair market value of \$400,000.00 on such date, and (ii) 266,666 shares. The SK Agreements will be effective upon the employment commencement date of the successor Chief Executive Officer of the Company (see above) or upon an earlier date.

The foregoing descriptions of the RWB and SK Agreements are qualified in their entirety by reference to the Agreements attached as exhibits to this Form 8-K and incorporated by reference in this Item 1.01. Defined terms used in this 8-K and not defined herein shall have the meanings assigned them in the respective Agreement.

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**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<b>Exhibit</b>	<b>Description</b>
10.1	<a href="#">Executive Employment Agreement dated February 3, 2023 between the Registrant and Robert William Bennett</a>
10.2*	<a href="#">Agreement and General Release dated February 3, 2023 between the Registrant and Samuel Klepfish</a>
10.3	<a href="#">Side Letter dated February dated February 3, 2023 between the Registrant and Samuel Klepfish</a>
99.1	<a href="#">Press release dated February 7, 2023.</a>
104	Cover Page Interactive Data File (formatted as Inline XBRL)

\* Certain schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K under the Securities Act. The Company agrees to furnish supplementally any omitted schedules to the Securities and Exchange Commission upon request.

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**SIGNATURES**

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

**INNOVATIVE FOOD HOLDINGS, INC.**

Dated: February 7, 2023

By: /s/ SAM KLEPFISH  
Sam Klepfish, CEO

**INNOVATIVE FOOD HOLDINGS, INC.**  
**EXECUTIVE EMPLOYMENT AGREEMENT**

Innovative Food Holdings, Inc., a Florida corporation (the "Company"), and Robert William Bennett (the "Executive") (the Company and the Executive each a "Party" and, collectively, the "Parties") enter into this **EXECUTIVE EMPLOYMENT AGREEMENT** (this "Agreement") dated as of January 30<sup>th</sup>, 2023.

**WITNESSETH**

**WHEREAS**, the Company wishes to employ the Executive, and the Executive wishes to be employed by the Company, in each case, on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the foregoing, of the mutual promises contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

**1. POSITION AND DUTIES.**

(a) During the "Employment Term" (as defined below), the Executive will serve as the Chief Executive Officer ("CEO") of the Company. In this capacity, the Executive will have the duties, authorities and responsibilities commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized public companies, and such other duties, authorities and responsibilities not inconsistent with the Executive's position as may be assigned to the Executive by the Company's Board of Directors for the Company (the "Board") from time to time. This may include, but will not be limited to, duties such as making decisions on businesses or initiatives to start or stop, making hiring and firing decisions for all roles in the Company, representing the Company at industry conferences or trade shows or events, acting as face of the Company to the press, taking the lead on merger and acquisition or partnership discussions, deciding on expenses to incur (like marketing, creation of new headcount, 3rd party services, Company offices to open or close, technology costs, or other similar expenses typical of a CEO's authority), or deciding on resources to deploy (capital to invest, allocation of headcount, organizational structure, technology investments, or other similar investments typical of a CEO's authority), in each case subject to the input, review and/or approval of the Board as and when appropriate. The Board acknowledges that, as of the "Effective Date" (as defined below), the Company's prior CEO no longer holds any of the duties outlined above. The Executive will report directly to the Board.

(b) The Executive will be permitted to work primarily from the Executive's home office in the Executive's principal state of residence in the State of Utah, but will be expected from time to time to travel to and work at one of the Company's corporate locations in the State of Florida, the State of New Jersey or the State of Illinois, or to other destinations for Company business, including the State of New York, as deemed necessary or appropriate by the Executive or the Board. The Executive agrees not to relocate outside of the State of Utah without prior written approval of the Board. For so long as the Executive resides in the State of Utah during the Employment Term, at the Executive's request, an office space selected by the Board within a reasonable distance from the Executive's residence may be leased at the Company's expense for

the purpose of the Executive conducting Company business, subject to the Board's determination that the cost, size and location of such office space is commercially reasonable, and subject to the Executive making advance arrangements with the Company to satisfy any associated tax withholding obligations.

(c) During the Employment Term, the Executive will faithfully serve the Company and devote substantially all of the Executive's business time, energy, business judgment, knowledge and skill, and the Executive's best efforts, to the performance of the Executive's duties with the Company. At the Executive's discretion, he may also devote a small minority of his time to sitting on other company boards, speaking at industry conferences or events, and speaking or teaching at educational institutions, so long as any such activities are first disclosed to and approved by the Board in writing and do not, individually or in the aggregate, interfere or conflict with the Executive's duties, obligations and restrictions hereunder or create a potential business or fiduciary conflict.

(d) For so long as the Executive serves as CEO of the Company, the Board or its nominating committee shall nominate the Executive and one (1) additional individual designated by the Executive to the Board in good faith (such individual, the "Executive's Director Designee"), for election or re-election (as applicable) to the Board, in each case subject to the Board's fiduciary judgement and applicable legal or regulatory requirements and limitations. The Executive may also prospectively rescind and change his designation for the additional individual upon reasonable advance notice to the Board.

**2. EMPLOYMENT TERM.** The Executive's employment under this Agreement will commence on February 28<sup>th</sup>, 2023 (the "Effective Date") and will automatically terminate, and the Executive's employment with the Company will end, on December 31, 2025 (the "Expiration Date"), unless extended by mutual written agreement of the Parties prior to the Expiration Date. Notwithstanding the foregoing or anything else herein to the contrary, the Executive's employment is at-will, and either the Executive or the Company may terminate the Executive's employment and the "Employment Term" (as defined below) at any time (including prior to the Expiration Date), for any or no reason. The effective date of any termination of the Executive's employment hereunder is hereinafter referred to as the "Termination Date", and the period of time between the Effective Date and the Termination Date is hereinafter referred to as the "Employment Term". Effective upon any Termination Date, this Agreement will automatically terminate and will be of no further force or effect, except as otherwise provided in Section 13(a) hereof, the Executive shall immediately be automatically removed (or, if requested by the Board, shall resign, in writing) from all positions, including as director, then held by the Executive with the Company and its affiliates unless otherwise agreed to by the Company, and, upon termination of the Executive, the Executive's Director Designee shall be removed from the Director Designee's position as director if requested by the Board (or, if requested by the Board, shall resign, in writing) unless otherwise agreed to by the Company. For the avoidance of doubt, the Executive's employment is at-will, and either the Executive or the Company may terminate the Executive's employment hereunder any time, for any or no reason (except for any notice required under Section 4 below).

### **3. COMPENSATION AND BENEFITS.**

(a) **BASE SALARY.** During the Employment Term, the Company will pay to the Executive a base salary at an annualized rate of three hundred seventy-five thousand dollars (\$375,000), payable in accordance with the regular payroll practices of the Company, but not less frequently than monthly. The Executive's Base Salary will be subject to periodic review, at least annually, by the Board or its compensation committee (the "Committee"), and will be increased by the Board or the Committee effective each January 1 by at least three percent (3%) of the base salary rate in effect as of the immediately preceding December 31. Additionally, upon the first determination by the Board that the Company's "discretionary cash flow per share" (as defined and determined by the Board in good faith consultation with the Executive) on a trailing full 12-month basis has reached or exceeded the dollar amount determined by dividing (x) one million dollars (\$1,000,000) by (y) the total number of issued and outstanding "Shares" (as defined below) as of the immediately preceding December 31 (such condition, the "Discretionary Cash Flow Per Share Target"), the base salary rate will be prospectively increased by twenty percent (20%) of the base salary rate in effect immediately prior to such determination (it being intended that only the first achievement of the Discretionary Cash Flow Per Share Target will result in the base salary increase described in this sentence). The base salary, as determined herein and increased from time to time, will constitute "Base Salary" for purposes of this Agreement.

(b) **SIGN-ING BONUS.** The Executive shall be eligible to earn and receive a one-time cash signing bonus in the total amount of fifty thousand dollars (\$50,000) (the "Signing Bonus"), which will be earned by and paid to the Executive within 30 days of the Effective Date, at the sole discretion of the Executive.

(c) **MAKE-WHOLE BONUS.** Upon the Board's determination, based on acceptable documentation to be provided by the Executive, and with ample evidence that the Executive has exhausted every avenue to receive the payment, that the Executive has irrevocably forfeited his calendar year 2022 incentive cash bonus and company stock scheduled to vest in 2023 from his prior employer (such condition, the "Forfeiture Condition"), and the date of such Board determination, the "Forfeiture Determination Date"), the Executive shall become eligible to earn and receive a one-time cash make-whole bonus in the total amount of three hundred thousand dollars (\$300,000) (the "Make-Whole Bonus"), which will be earned by and paid to the Executive in three installments as follows, contingent on the Executive's continued employment with the Company and compliance with this Agreement and the Restrictive Covenants Agreement through each applicable payment date: (i) sixty thousand dollars (\$60,000) on June 30 of the year that includes the Forfeiture Determination Date, (ii) sixty thousand dollars (\$60,000) on the first (1st) anniversary of the date described in clause (i) of this sentence, and (iii) one hundred eighty thousand dollars (\$180,000) on the second (2nd) anniversary of the date described in clause (i) of this sentence. Notwithstanding the foregoing (but subject to the Forfeiture Condition), upon the first determination by the Board that the Discretionary Cash Flow Per Share Target has been achieved, the Signing Bonus will be accelerated and paid as follows: (i) fifty percent (50%) of any then-unpaid portion of the Signing Bonus will be paid within thirty (30) days after such determination by the Board (or, if later, within (30) days after the Forfeiture Determination Date), and (ii) the remaining fifty percent (50%) of any then-unpaid portion of the Signing Bonus will be paid six (6) months after the date described in clause (i) of this sentence, contingent on the Executive's continued employment with the Company and compliance with this Agreement and the Restrictive Covenants Agreement through each payment date.

(d) **ANNUAL INCENTIVE PLAN.** Beginning in calendar year 2023, for each calendar year during the Employment Term, the Executive shall be eligible to earn an annual cash incentive bonus with a target of not less than 50% of the Executive's Base Salary as in effect on the first day of such calendar year (prorated for any partial years, other than for calendar year 2023), payable no later than January 31 of the year following the year to which the bonus relates. Such bonuses will be based on attainment of one or more individual or business performance goals (to be established annually in good faith consultation with the Executive) and all of the other terms and conditions (including as to earning and forfeiture) of an annual incentive plan ("AIP") that will be designed and established by the Board and communicated to the Executive by no later than January 31, 2023.

(e) **VALUE ACHIEVEMENT AWARDS.**

(i) To further incentivize the Executive to achieve and exceed the Company's long-term business objectives, within seven (7) business days after the Board determines, in its sole and absolute discretion, that the "Average Closing Share Price" (as defined below) has achieved any "Stock Threshold Target" set forth in the following table, contingent on the Executive (A) remaining employed by the Company through the applicable "Grant Date" (as defined below), (B) continuing to comply with all of the terms and conditions of this Agreement and the Restrictive Covenants Agreement through the applicable Grant Date, and (C) making or entering into arrangements satisfactory to the Company, prior to each applicable Grant Date, to comply with all applicable tax withholding obligations, the Company will grant to the Executive the number of shares of the Company's common stock (the "Shares") associated with such Stock Threshold Target in the following table (each such grant, a "Value Achievement Award", and the grant date of each such Value Achievement Award, the "Grant Date"):

<b>Stock Threshold Target</b>	<b>Number of Shares Granted</b>
\$0.60	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 2.00% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 943,531
\$0.80	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 1.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 707,649
\$1.00	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 1.00% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 471,766
\$1.20	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.75% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 353,824



\$1.40	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.75% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 353,824
\$1.60	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 235,883
\$1.80	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 235,883
\$2.00	The lower of (x) the number of Shares (rounded down to the nearest whole Share) representing 0.50% of the total number of issued and outstanding Shares on the Grant Date of this Value Achievement Award or (y) 235,883

(ii) For purposes of this Agreement, “Average Closing Share Price” means the 60-day per-Share VWAP.

(iii) For the avoidance of doubt, the achievement of any Stock Threshold Target in the above table will result in only one (1) Value Achievement Award, such that the maximum possible number of Value Achievement Awards under this Agreement, in the event all of the Stock Threshold Targets in the above table are achieved, is eight (8).

(iv) Each Value Achievement Award will be subject to the terms and conditions of the Company’s certificate of incorporation, bylaws, and any other ancillary agreements governing the Shares (collectively, the “Equity Documents”).

(v) In the event of the consummation of a “Change of Control” (as defined below) during the Employment Term, the per Share acquisition price achieved in such Change of Control, as determined by the Board in its sole and absolute discretion, shall be deemed to be the “Average Closing Share Price” achieved on the Change of Control date for purposes of this Section 3(e), and no further Value Achievement Awards will be achieved or granted thereafter under this Section 3(e) except for the Value Achievement Award(s), if any, that may be achieved and granted as a result of this sentence. For purposes of this paragraph only, “Change of Control” means the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of equity interests in the Company constituting more than fifty percent (50%) of either the total fair market value or the total voting power of the then-outstanding equity interests in the Company; provided, however, that the following acquisitions shall not constitute a Change of Control: (w) any acquisition by any individual, entity or group that holds an equity interest in the Company as of the date of this Agreement through any open market purchases or any private investment in public equity (“PIPE”) or similar transactions, (x) any acquisition directly from the Company, (y) any acquisition by the Company, or (z) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company.

(f) **EMPLOYEE BENEFITS.** During the Employment Term, the Executive will be eligible to participate in any employee benefit plan maintained by the Company for the benefit of its employees generally, subject to all of the terms and conditions (including eligibility requirements) of such plan. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time, in its sole and absolute discretion.

(g) **PAID TIME OFF.** During the Employment Term, the Executive will be entitled to paid vacation and other paid time off in accordance with the Company's paid time off policy as in effect from time to time, with a minimum of twenty (20) vacation days, and eight (8) personal/sick days, plus all federal and Utah state holidays. Vacation may be taken at such times and intervals as the Executive determines, subject to the business needs of the Company.

(h) **BUSINESS EXPENSES.** Upon presentation of reasonable substantiation and documentation as the Company may specify from time to time, the Executive will be reimbursed in accordance with the Company's expense reimbursement policy as in effect from time to time for all eligible out-of-pocket business expenses (including for business travel) incurred and paid by the Executive during the Employment Term.

(i) **ATTORNEY FEES.** Contingent on the Executive entering into this Agreement and the Restrictive Covenants Agreement, and commencing employment with the Company on the Effective Date, the Company will pay or reimburse the Executive, upon receipt of appropriate supporting documentation (and in all events on or before December 31, 2022), for the attorneys' fees actually incurred by the Executive in connection with negotiating and executing this Agreement and the Restrictive Covenants Agreement, up to a maximum of ten thousand dollars (\$10,000).

**4. TERMINATION.** The Executive's employment and the Employment Term will terminate on the first of the following to occur:

(a) **EXPIRATION.** Automatically and immediately on the Expiration Date.

(b) **DEATH.** Automatically and immediately upon the date of death of the Executive.

(c) **TERMINATION DUE TO DISABILITY.** Upon not less than thirty (30) calendar days' prior written notice by the Company to the Executive of termination due to Disability. For purposes of this Agreement, "Disability" means (i) if the Company then maintains a long-term disability policy covering the Executive, the Executive becoming entitled to long-term disability benefits under such policy, as determined by the administrator of such policy; or (ii) if the Company does not then maintain a long-term disability policy covering the Executive, the determination by the Board in its good faith discretion that the Executive has experienced a physical or mental injury, infirmity or incapacity which is expected to render the Executive unable, with or without reasonable accommodation, to perform the Executive's material duties hereunder for at least one hundred eighty (180) calendar days in any three hundred sixty five (365) calendar day period (and the Executive will cooperate in all respects with the Board if a question arises as to whether the Executive has become Disabled (including, without limitation, submitting to reasonable examinations by one or more medical doctors and other health care specialists selected

by the Board and authorizing such medical doctors and other health care specialists to discuss the Executive's condition with the Board)).

(d) **TERMINATION FOR CAUSE.** Immediately upon written notice by the Company to the Executive of a termination for Cause. For purposes of this Agreement, "Cause" means any of the following:

(i) The Executive's theft, dishonesty, fraud, embezzlement, willful misconduct, breach of fiduciary duty or material falsification of any documents or records of the Company, its subsidiaries or other affiliates (each, a "Group Company");

(ii) The Executive's material failure to abide by a Group Company's code of conduct or other policies (including policies relating to confidentiality and workplace conduct) made available to the Executive;

(iii) The Executive's unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Group Company (including the Executive's improper use or disclosure of a Group Company's confidential or proprietary information);

(iv) any misconduct, moral turpitude, gross negligence or malfeasance of the Executive that has or, in the good faith judgment of the Board, could be expected to have, a material detrimental effect on a Group Company's reputation or business;

(v) The Executive's willful failure to perform the Executive's duties hereunder after written notice from the Board of such failure;

(vi) The Executive's conviction of (including any plea of guilty or nolo contendere to), or indictment for, any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or that materially and permanently impairs the Executive's ability to perform the Executive's duties with a Group Company;

(vii) The Executive's willful failure to cooperate with the Company and its legal counsel in connection with any investigation or other legal or similar proceeding involving any Group Company; or

(viii) any material breach or misrepresentation by the Executive of or in this Agreement, or any breach by the Executive of the Restrictive Covenants Agreement.

Notwithstanding the foregoing, no event described in clauses (ii), (iii), (iv) or (viii) of this Section 4(d) that is determined by the Board in good faith to be curable will constitute Cause unless the Board has given the Executive notice of its intention to terminate the Executive for Cause which sets forth the events that constitute Cause, and the Executive fails to cure such events to the Board's satisfaction within fourteen (14) calendar days after receiving such notice.

(e) **TERMINATION WITHOUT CAUSE.** Upon not less than thirty (30) calendar days' prior written notice by the Company to the Executive of an involuntary termination without

Cause (which, for the avoidance of doubt, will not include any termination described in Sections 4(a), 4(b) or 4(c) above).

(f) **RESIGNATION FOR GOOD REASON.** Upon written notice by the Executive to the Company of a resignation for Good Reason (provided that at the time of such resignation no notice of the Board's intention to terminate the Executive's employment for Cause is pending under Section 4(d) above). For purposes of this Agreement, "Good Reason" means the occurrence of any of the following events, without the express written consent of the Executive, unless such events are fully corrected in all material respects by the Company within sixty (60) calendar days following written notification by the Executive to the Company of the occurrence of one of the reasons set forth below:

(i) material diminution in the Executive's Base Salary;

(ii) material diminution in the Executive's duties, authorities or responsibilities (other than temporarily while physically or mentally incapacitated or as required by applicable law); or

(iii) material breach by the Company of any of its material obligations hereunder.

The Executive must provide the Company with a written notice detailing the specific circumstances alleged to constitute Good Reason within sixty (60) calendar days after the first occurrence of such circumstances, and actually terminate employment within thirty (30) calendar days following the expiration of the Company's sixty (60)-day cure period described above. Otherwise, any claim of such circumstances as "Good Reason" will be deemed irrevocably waived by the Executive.

(g) **RESIGNATION WITHOUT GOOD REASON.** Upon not less than thirty (30) calendar days' prior written notice by the Executive to the Company of the Executive's resignation from employment with the Company other than for Good Reason, provided that the Company may, in its sole and absolute discretion, waive all or part of the Executive's notice period and/or instruct the Executive to not report to work during all or part of the Executive's notice period.

## 5. CONSEQUENCES OF TERMINATION.

(a) **EXPIRATION; DEATH; TERMINATION DUE TO DISABILITY; TERMINATION FOR CAUSE; RESIGNATION.** In the event that the Executive's employment and the Employment Term end in accordance with Section 4(a), 4(b), 4(c), 4(d) or 4(g), the Executive (or the Executive's estate, as applicable) will be entitled to the following (collectively, the "Accrued Benefits"), subject to Section 10 below:

(i) any previously earned but unpaid Base Salary through the Termination Date, paid within sixty (60) calendar days following the Termination Date, or on such earlier date as may be required by applicable law;

(ii) subject to Section 3(g) above, any accrued but unused vacation time, paid subject to and in accordance with Company policy;

(iii) subject to Section 3(h) above, reimbursement for any unreimbursed eligible business expenses incurred through the Termination Date, paid subject to and in accordance with Company policy; and

(iv) any accrued vested benefits under any Company employee benefit plan, paid or provided subject to and in accordance with the terms of such plan.

(b) **TERMINATION WITHOUT CAUSE OR RESIGNATION WITH GOOD REASON.** In the event that the Executive's employment and the Employment Term end in accordance with Section 4(e) or 4(f), the Executive shall be entitled to the Accrued Benefits and, conditioned on the Executive's (x) compliance with the "Release Condition" in Section 5(d) below and (y) continued compliance with this Agreement, including Section 6 below, the Executive may also earn and receive the following additional severance, subject to Section 10 below:

(i) an amount equal to the Executive's Base Salary (as in effect on the Termination Date) for twelve (12) months (the "Severance Period"), which will be paid in equal periodic installments on the Company's regular payroll dates (not less frequently than monthly) over the Severance Period beginning with the first regular Company payroll date next following the Termination Date; provided that, to the extent that the severance described in this paragraph constitutes "deferred compensation" subject to "Section 409A" (as defined below), the first installment payment of such severance will be made on the Company's first regularly scheduled payroll date next following the sixtieth (60<sup>th</sup>) calendar day after the Termination Date and will include payment of any installment payments that were otherwise due prior thereto; and

(ii) subject to the Executive's (x) eligibility for and timely election of continuation coverage under the Company's group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and (y) continued copayment of coverage premiums at the same level and cost to the Executive as if the Executive were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued copayment by the Company for such coverage to the same extent that the Company paid for such coverage immediately prior to the Termination Date, in a manner intended to avoid any excise tax under Section 4980D of the Internal Revenue Code of 1986, as amended (the "Code"), and subject to the eligibility requirements and other terms and conditions of such insurance coverage, for the duration of the Severance Period.

(c) **REPURCHASE OF EQUITY INTERESTS UPON TERMINATION FOR CAUSE.** In the event that the Executive's employment and the Employment Term end in accordance with Section 4(d), the Company or its assignee shall have the right (but not the obligation) in its sole and absolute discretion to repurchase any or all of the Shares then held by the Executive that were acquired pursuant to the Executive's Value Achievement Awards, if any (such to-be-repurchased Shares, the "Repurchased Shares"), in exchange for payment to the Executive of an amount in cash equal to the aggregate fair market value of the Repurchased Shares at the closing of the date of repurchase (in each case as determined by the Board in good faith), and the Executive agrees to enter into any agreements or arrangements with the Company that the Board deems to be necessary or appropriate to effectuate and facilitate such repurchase.

(d) **RELEASE CONDITION.** The Executive will be eligible to receive the payments and benefits described in Section 5(b) only if the Executive executes and delivers to the Company a separation agreement including a general release of claims in a form then provided by the Company (the "General Release"), and such General Release becomes effective and irrevocable according to its terms no later than sixty (60) calendar days following the Termination Date, and only so long as the Executive has not revoked or breached any of the provisions of the General Release and does not subsequently breach any such provisions (the "Release Condition").

(e) **EXCLUSIVE REMEDY.** The payments and benefits described in this Section 5 will be in full and complete satisfaction of the Executive's rights and entitlements under this Agreement and any other claims that Executive may have in respect of the Executive's employment with the Company or any of its affiliates, and the termination thereof, and the Executive acknowledges that such amounts are fair and reasonable, and are the Executive's sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of the Executive's employment hereunder or any breach of this Agreement. As of the date of the final payment described in this Section 5, the Company and its affiliates shall not have any further obligation to Executive under this Agreement or otherwise, except as may be required by law.

(f) **NO MITIGATION.** In no event will the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts will not be reduced whether or not the Executive obtains other employment.

**6. RESTRICTIVE COVENANTS.** The Executive's employment with the Company, and this Agreement, are contingent upon the concurrent execution by the Executive of an Employee Confidential Information and Non-Solicitation Agreement with the Company attached as Exhibit A hereto (the "Restrictive Covenants Agreement") and the Executive's continued strict compliance with all the terms and conditions of the Restrictive Covenants Agreement and with any other applicable restrictive covenants in favor of the Company or its affiliates. The terms of the Restrictive Covenants Agreement will survive termination of this Employment Agreement.

**7. D&O COVERAGE.** The Company will maintain a directors' and officers' liability insurance policy (or policies) providing coverage for the Executive that is at least as favorable to the Executive in any respect (including as to the length of any post-employment tail coverage) as the coverage then being provided to any other officer or director of the Company. The policy must be held with a reputable company, of the standard appropriate for CEOs of public companies.

**8. NO ASSIGNMENTS.** This Agreement is personal to each of the Parties hereto. Except as provided in this paragraph, no Party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other Party hereto. The Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company and, as used in this Agreement, "Company" will mean the Company and any such successor which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise.

**9. NOTICE.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when delivered personally, on the date of transmission if delivered by electronic mail with delivery receipt, on the third Business Day after having been mailed by certified or registered mail, return receipt requested and postage prepaid, or on the first Business Day after the date sent via a nationally recognized overnight courier. “**Business Day**” is any day other than a Saturday, Sunday or a day on which banks in New York are required or authorized to be closed. Such notices, demands and other communications will be sent to the address indicated below:

If to the Executive:

At the Executive’s address (or to the e-mail address or facsimile number) shown in the books and records of the Company.

If to the Company:

Innovative Food Holdings, Inc.  
Attention: Board of Directors  
28411 Race Track Road  
Bonita Springs, FL 34135  
e-mail: Sam Klepfish [sklepfish@ivfh.com](mailto:sklepfish@ivfh.com) and  
James Pappas [jcp@jcpinv.com](mailto:jcp@jcpinv.com)

With a copy (which will not constitute notice) to:

Jackson Lewis P.C.  
Attention: Michael Jakowsky, Esq.  
666 Third Avenue, 29th Floor  
New York, NY 10017  
e-mail: [michael.jakowsky@jacksonlewis.com](mailto:michael.jakowsky@jacksonlewis.com)

or to such other address as either Party may have furnished to the other in writing in accordance herewith, except that notices of change of address will be effective only upon receipt.

**10. TAX MATTERS.**

(a) **WITHHOLDING.** The Company may withhold from any compensation and benefits payable under this Agreement all applicable federal, state, local, or other taxes, and any other applicable withholdings and tax related requirements.

(b) **SECTION 409A.**

(i) Although the Company does not guarantee the tax treatment of any payments or benefits under this Agreement, the intent of the Parties is that the payments and benefits under this Agreement be exempt from or, to the extent not exempt, comply with, Section

409A of the Code, and the regulations and guidance promulgated thereunder (collectively “Section 409A”), and, accordingly, to the maximum extent possible, this Agreement will be interpreted and construed consistent with such intent. Notwithstanding the foregoing, the Company does not guarantee any particular tax result, and in no event whatsoever will the Company, its affiliates, or their respective officers, directors, employees, counsel or other service providers, be liable for any tax, interest or penalty that may be imposed on the Executive by Section 409A or damages for failing to comply with Section 409A.

(ii) To the extent that reimbursements or other in-kind benefits hereunder constitute “deferred compensation” subject to Section 409A, (x) all expenses or other reimbursements hereunder will be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (y) any right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit, and (z) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year will in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iii) For purposes of Section 409A, the Executive’s right to receive installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment hereunder specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(iv) Any other provision of this Agreement to the contrary notwithstanding, in no event will any payment or benefit hereunder that constitutes “deferred compensation” subject to Section 409A be subject to offset by any other amount unless otherwise permitted by Section 409A.

(v) A termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits that constitute “deferred compensation” subject to Section 409A upon or following a termination of employment, unless such termination is also a “separation from service” within the meaning of Section 409A, and, for purposes of any such provision, all references in this Agreement to the Executive’s “termination”, “termination of employment” or like terms will mean the Executive’s “separation from service” with the Company, and the date of such separation from service will be the date of termination for purposes of any such payment or benefit.

(vi) Notwithstanding any other provision of this Agreement to the contrary, if, at the time of the Executive’s separation from service, the Executive is a “specified employee” within the meaning and in accordance with Treasury Regulation Section 1.409A-1(i), then the Company will defer the payment or commencement of any “deferred compensation” subject to Section 409A that is payable upon separation from service (without any reduction in such payments or benefits ultimately paid or provided to the Executive) until the date that is six (6) months following separation from service or, if earlier, the earliest other date as is permitted under Section 409A (and any amounts that otherwise would have been paid during this deferral period will be paid in a lump sum on the day after the expiration of the six (6) month period or such shorter period, if applicable).



**11. CLAWBACK.** To the maximum extent permitted by applicable law, all amounts paid or provided to the Executive hereunder shall be subject to any clawback or recoupment policy that may be maintained by the Company from time to time, and the requirements of any law or regulation applicable to the Company and governing the clawback or recoupment of executive compensation, or as set forth in any final non-appealable order by any court of competent jurisdiction or arbitrator.

**12. GOVERNING LAW; MANDATORY ARBITRATION.** This Agreement, the rights and obligations of the Parties hereto, and any claims or disputes relating thereto, will be governed by and construed in accordance with the laws of the State of New York, without regard to its conflicts of laws principles. Any controversy or dispute between the Executive and the Company arising under or related to this Agreement or the Executive's employment with the Company, with the exception of those arising under or related to injunctive relief (which may properly be the subject of civil action in a judicial forum), shall be resolved exclusively by binding, single-arbitrator arbitration, said arbitration to be conducted in New York, NY, in accordance with the Employment Rules of the American Arbitration Association. The Parties shall share the fees and costs of the arbitrator and all other costs in connection with any arbitration, and each Party shall bear its own legal fees and expenses. The Federal Arbitration Act shall apply to this paragraph.

**13. MISCELLANEOUS.**

(a) **SURVIVAL.** Sections 2 and 4 through 13 hereof (and, for the avoidance of doubt, the Restrictive Covenants Agreement) will survive and continue in full force and effect in accordance with their respective terms notwithstanding any expiration or termination of the Employment Term and/or this Agreement.

(b) **ENTIRE AGREEMENT; WAIVER; MODIFICATION.** This Agreement, together with all exhibits hereto (including, for the avoidance of doubt, the Restrictive Covenants Agreement), and the Equity Documents, set forth the entire agreement of the Parties hereto in respect of the subject matter hereof and supersedes any and all prior agreements or understandings between the Executive and the Company with respect to the subject matter hereof. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not expressly set forth in this Agreement. No waiver by either Party hereto at any time of any breach by the other Party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other Party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in a writing expressly referencing this Agreement and signed by the Executive and such officer or director of the Company as may be designated by the Board.

(c) **EXECUTIVE'S REPRESENTATION.** The Executive represents and warrants to the Company that the Executive has the legal right to enter into this Agreement and to perform all of the obligations on the Executive's part to be performed hereunder in accordance with its terms, and that the Executive's employment hereunder and compliance with the terms and

conditions hereof will not conflict with or result in the breach by Employee of any agreement to which Employee is a party or by which Employee may be bound.

(d) **SECTION HEADINGS.** The section headings used in this Agreement are included solely for convenience and will not affect, or be used in connection with, the interpretation of this Agreement.

(e) **SEVERABILITY.** The provisions of this Agreement will be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction will not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the Parties hereunder will be enforceable to the fullest extent permitted by applicable law.

(f) **COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. Facsimile, PDF, and electronic counterpart signatures to and versions of this Agreement will be acceptable and binding on the Parties.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

**COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXECUTIVE**

\_\_\_\_\_  
Robert William Bennett

**AGREEMENT AND GENERAL RELEASE**

This AGREEMENT AND GENERAL RELEASE (the "Agreement") is entered into by and between INNOVATIVE FOOD HOLDINGS, INC., a Florida corporation with a principal place of business at 28411 Race Track Road, Bonita Springs, FL 34135 (the "Company") and Sam Klepfish with a residence at 1983 New York Avenue, Brooklyn, NY 11210 ("Klepfish" or the "Executive"), and Executive's heirs, executors, administrators, successors, and assigns. The subsidiaries of the Company listed and signing on the signatory page (each such subsidiary referred to herein as a "Company Subsidiary," and collectively, the "Company Subsidiaries") are executing this Agreement and agreeing to be bound by their obligations set forth herein. The Company, Company Subsidiaries Company and Executive are sometimes collectively referred to herein as the "Parties," and each sometimes individually referred to herein as a "Party."

**WHEREAS**, Executive is employed as the Company's Chief Executive Officer pursuant to an Employment Agreement dated January 28, 2019 (the "Employment Agreement"), as the same may have been amended;

**WHEREAS**, Executive is the chairman of the board of directors of the Company (the "Board");

**WHEREAS**, Executive is separating from employment with the Company in circumstances which entitle Executive to the severance payments and benefits under Section 5(c) of the Employment Agreement (such payments and benefits collectively referred to herein as the "Severance Benefits"); and

**WHEREAS**, the Company and Executive wish to enter into this Agreement in connection with Executive's separation of employment with the Company.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Separation Date.**

- 1.1. The Company and Executive agree that the effective date of this Agreement and termination of the Executive's employment from the Company shall be 12:01 A.M. on the earliest of (i) such date as is mutually agreed on by the Company and Executive, (ii) the employment commencement date of the successor Chief Executive Officer of the Company, and (iii) upon Executive's earlier election to terminate employment. The actual effective time and date on which Executive terminates his employment with the Company is referred to herein as the "Separation Date." It is the intention of the Company and Executive that this Agreement, the "Side Letter" (annexed hereto as Exhibit A) and the employment agreement with the incoming Chief Executive Officer be signed contemporaneously.

1.2. Executive hereby resigns effective as of the Separation Date from his positions as Chief Executive Officer of the Company as well as from any other positions Executive holds with the Company and all subsidiaries of the Company. Notwithstanding anything to the contrary herein or otherwise, the Company acknowledges and agrees that the Executive shall continue as a member of the Board as described in the Side Letter and as Chairman of the Board through the next general meeting of the Company's shareholders.

2. **Severance Benefits**

2.1. This Agreement shall serve and satisfy any and all payment obligations vis-à-vis the Severance Benefits and notice requirements, including without limitation notices of exercise of any rights, required or permitted to be made by Executive in connection with the Employment Agreement.

2.2. Executive agrees that the Company will be deemed to have satisfied its obligations to pay the Severance Benefits to Executive so long as the Company timely pays and provides the payments and benefits set forth in Section 3 to Executive in accordance with the terms and conditions of this Agreement and complies with its other obligations under this Agreement.

3. **Payments**. The Company agrees to pay or provide to Executive the payments and benefits set forth in this Section 3 and abide by its obligations under this Agreement.

3.1. **\$250,000.00 Cash Payment**. The Company shall pay Executive \$250,000.00 in one lump sum on the date of this Agreement. On the date of this Agreement, such payment will be made by the Company by deposit of the aforementioned \$250,000 cash payment with an escrow agent pursuant to an escrow agreement, the form of which is annexed hereto as Exhibit B ("Escrow Agreement"). The escrow agreement will require the automatic release of the funds to Executive on the Separation Date. This Agreement shall be null and void *ab initio* at Executive's election if such payment is not timely made.

3.2. **\$1M Cash Payment**.

3.2.1. The Company agrees it shall pay Executive \$1,000,000.00 (such \$1,000,000 payment referred to herein as the "\$1M Cash Payment"). The Company shall make the \$1M Cash Payment in accordance with the following payment schedule:

3.2.1.1. Until such time as the \$1M Cash Payment is paid in full, the Company shall make consecutive weekly payments on each regular weekly payroll date of the Company with all payments to be made by the Company to Executive in accordance with the Company's standard payroll processes (each such weekly payment, a "Weekly Payment," and collectively with all weekly payments, the "Weekly Payments"). Such Weekly Payments shall commence on March 8, 2023.

3.2.1.2. The amount of each Weekly Payment shall equal to the greater of (X) \$6,410.26 (i.e., \$1,000,000/156 weeks) or (Y) the maximum amount of the \$1M Cash Payment that, in the good faith determination of the Board, the Company

can make without jeopardizing the Company's ability to continue as a going concern.

3.2.1.3. Sections 3.1 and 3.2 describe a promise to pay money and the Company promises to pay such monetary obligation when due. Notwithstanding any of Executive's obligations hereunder or otherwise to the Company, the Company may not rely on any default or alleged default by Executive as an offset or defense against the timely payment and compliance with Section 3 of this Agreement. The monetary obligations owed to Executive as described herein will be memorialized in a promissory note, a form of which is annexed hereto as Exhibit C. Such note will not increase nor enhance any amount payable to Executive hereunder. Such promissory note shall, at all times until payment, be subject to the claims of the Company's general creditors. The executed note shall be deposited with the escrow agent pursuant to the Escrow Agreement and automatically be released to Executive on the Separation Date. This Agreement shall be null and void *ab initio* at Executive's election if such deposit is not timely made.

3.3. 400,000 Stock Grant. On the 30<sup>th</sup> day after the Separation Date, contingent on Executive making or entering into arrangements satisfactory to the Company, prior to the grant date, to comply with all applicable tax withholding obligations associated with the grant contemplated herein, the Company will grant to Executive 400,000 shares of the Company's common stock.

3.4. 266,666 Minimum Stock Grant. On June 1, 2027 (the "Grant Date"), contingent on Executive making or entering into arrangements satisfactory to the Company, prior to the Grant Date, to comply with all applicable tax withholding obligations associated with the grant contemplated herein, the Company will grant to Executive the number of shares of the Company's common stock equal to the greater of (i) the number of shares with an aggregate Grant Date fair market value of \$400,000.00, and (ii) 266,666 shares.-

For example, if the per-share fair market value of the Company shares on the Grant Date is

3.4.1.1. \$1.5, then the Company shall grant to Executive 266,666 shares of common stock ( $\$400,000/\$1.5 = 266,666$ );

3.4.1.2. \$1.00, the Company shall grant to Executive 400,000 shares of common stock ( $\$400,000/\$1.0 = 400,000$ )

3.4.1.3. \$2.00, the Company shall grant to Executive 266,666 shares of common stock ( $\$400,000/\$2.0 = 200,000$ ; the Company will therefore issue 266,666 shares, which is greater than the number of shares computed by taking the fair market value of the Company's common shares on the Grant Date).

3.5. COBRA Subsidy. Subject to Executive's or, in the event of his death, his eligible dependents' timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall reimburse Executive or his eligible dependents the monthly premium payable to continue his and his eligible dependents' participation in the Company's group health

plan (to the extent permitted under applicable law and the terms of such plan) which covers Executive (and Executive's eligible dependents) for a period of eighteen (18) months, provided that Executive is eligible and remains eligible for COBRA coverage. If the reimbursement of any COBRA premiums would violate the nondiscrimination rules or cause the reimbursement of claims to be taxable under the Patient Protection and Affordable Care Act of 2010, together with the Health Care and Education Reconciliation Act of 2010 (collectively, the "Act") or Section 105(h) of the Internal Revenue Code of 1986, as amended (the "Code"), the Company paid premiums shall be treated as taxable payments and be subject to imputed income tax treatment to the extent necessary to eliminate any discriminatory treatment or taxation under the Act or Section 105(h) of the Code.

4. **No Consideration Absent Execution of this Agreement.** The Company and Executive agree that the payments and benefits described in Section 3 above are the only payments and benefits from the Company or its affiliates to which Executive may become entitled (subject to the terms of this Agreement), in lieu of the Severance Benefits and that, Executive hereby foregoes and relinquishes his right to receive any further Severance Benefits, except as otherwise expressly provided in Section 5.2.1 below. For the avoidance of doubt, the Company acknowledges that Executive is not waiving any rights to indemnification, or any of the rights available before or after the date of this Agreement, to other officers and directors of the Company and Subsidiaries that do not arise exclusively from the Employment Agreement.

**5. Event of Default; Remedies**

5.1.1. It shall constitute an "Event of Default" in the event the Company fails to timely make any monetary payment or stock issuance pursuant to Sections 3.3 and 3.4 under the provisions of this Agreement, (whether it shall be voluntary or involuntary or come about or be effected by any requirement of law or otherwise).

5.1.2. It shall also constitute an Event of Default hereunder if any material representation or warranty made by the Company herein and any schedule or exhibit hereto is incorrect in any material respect on the date as of which such representation or warranty was made.

5.1.3. Executive represents and warrants that all of the material representations and warranties made by Executive herein and any schedule or exhibit hereto are true and correct as of the date made.

5.2. **Remedies.**

5.2.1. Upon the occurrence of Event of Default under Section 5.1.1 that is not cured within ten (10) days after notice to cure ("Notice to Cure") is given to the Company, the outstanding defaulted monetary amount and prorated imputed value of \$400,000 with respect to the grants described in Sections 3.3 and 3.4, will accrue interest at the annual rate of twelve percent (12%) until the defaulted monetary amount is paid and the equity issuance and option grant are made, subject to maximum payable amount not to exceed \$100,000. The Company shall be entitled to not more than two (2) Notices to Cure under this Section 5.2.1.

5.2.2.If any Event of Default has occurred, then all mandatory sums due under Sections 3.1 and 3.2 shall become and be immediately due and payable upon notice from Executive to Company and shall be collectible immediately or at any time after such Event of Default notwithstanding anything to the contrary herein, or otherwise.

5.2.3.Without limiting the generality of Section 5.2.2, if the remaining outstanding balance of the \$1M Cash Payment is less than \$500,000, then the Company is automatically without further action required to pay to Executive that portion of the remaining \$1M Cash Payment that is outstanding which shall at once become and be immediately due and payable by the Company to Executive without notice. Upon the occurrence of a failure by the Company to make the payment required in this Section 5.2.3, after five (5) days notice to cure from Executive to Company, the outstanding portion of the \$1M Cash Payment shall be automatically increased to \$499,999 and be immediately due and payable without any additional notice to cure.

5.2.4.The Company (and each Company Subsidiary) shall indemnify Executive in accordance with the provisions, terms and conditions of Section 14 hereto and the indemnification provisions in any other document or agreement delivered or furnished by on behalf of the Company and any Company Subsidiary (together with this Agreement and Side Letter, the “Relevant Documents”) and as may have been previously granted to Executive as a director, officer and employee of the Company and Subsidiaries, and in the future, no less than indemnification rights granted to directors and officers of the Company and Subsidiaries.

**6. General Release, Claims Not Released and Related Provisions.**

6.1. General Release of All Claims. Executive knowingly and voluntarily releases and forever discharges the Company, its parent corporation, affiliates, subsidiaries, divisions, predecessors, successors and assigns, and their current officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries (collectively referred to throughout the remainder of this Agreement as “Releasees”), of and from any and all claims, known and unknown, asserted or unasserted, which Executive has or may have against Releasees as of the date of execution of this Agreement, including, but not limited to, any alleged violation of:

- **Title VII of the Civil Rights Act of 1964;**
- **Sections 1981 through 1988 of Title 42 of the United States Code;**
- **The Employee Retirement Income Security Act of 1974 (“ERISA”) (as modified below);**
- **The Immigration Reform and Control Act;**



- **The Americans with Disabilities Act of 1990;**
- **The Age Discrimination in Employment Act of 1967 (“ADEA”);**
- **The Worker Adjustment and Retraining Notification Act;**
- **The Fair Credit Reporting Act;**
- **The Family and Medical Leave Act;**
- **The Equal Pay Act;**
- **The Genetic Information Nondiscrimination Act of 2008;**
- **The New York State Human Rights Law;**
- **The New York Executive Law;**
- **The New York Labor Law;**
- **The New York Civil Rights Law;**
- **The New York Equal Pay Law;**
- **The New York Whistleblower Law;**
- **The New York Wage-Hour and Wage Payment Laws and Regulations;**
- **The New York Minimum Wage Law;**
- **The Retaliation/Discrimination provisions of the New York Workers’ Compensation Law and the New York State Disabilities Benefits Law;**
- **The New York State Worker Adjustment and Retraining Notification Act;**
- **any other federal, state or local law, rule, regulation, or ordinance;**
- **any public policy, contract, tort, or common law; or**
- **any basis for recovering costs, fees, or other expenses including attorneys’ fees incurred in these matters.**

6.2. Claims Not Released.

6.2.1. Notwithstanding anything to the contrary in this Agreement or otherwise, Executive is not waiving any rights he may have to: (a) his own vested accrued employee benefits under the Company's employee benefit plans as of the Separation Date; (b) benefits and/or the right to seek benefits under applicable workers' compensation and/or unemployment compensation statutes; (c) pursue claims which by law cannot be waived by signing this Agreement; (d) enforce this Agreement and/or challenge the validity of this Agreement, the General Release, (e) rights as a former or current or future employee, officer or director of the Company and a Company Subsidiary not exclusively granted pursuant to the Employment Agreement, (f) any rights as a shareholder of the Company, or (g) challenge the validity of this Agreement.

6.3. Governmental Agencies. Nothing in this Agreement and General Release prohibits or prevents Executive from filing a charge with or participating, testifying, or assisting in any investigation, hearing, whistleblower proceeding or other proceeding before any federal, state, or local government agency (e.g. EEOC, NLRB, SEC., etc.), nor does anything in this Agreement and General Release preclude, prohibit, or otherwise limit, in any way, Executive's rights and abilities to contact, communicate with, report matters to, or otherwise participate in any whistleblower program administered by any such agencies.

6.4. Collective/Class Action Waiver. If any claim is not subject to release, to the extent permitted by law, Executive waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which the Company or any other Releasee identified in this Agreement is a party.

7. General Release By the Company To Executive.

7.1. The Company and each Company Subsidiary for itself and on behalf of its owners, affiliates, subsidiaries, divisions, predecessors, successors and assigns and the current and former officers, directors, employees, attorneys, insurers, officers and agents thereof (collectively, the "Company Parties"), hereby knowingly, voluntarily, irrevocably and unconditionally releases and forever discharges, to the full extent permitted by law, the Executive from any and all asserted and unasserted claims that the Company Parties have or may have against the Executive as of the date of execution of this Agreement, arising out of any aspect of the Employment Agreement and/or Executive's employment relationship with and service as an employee, officer, director (including without limitation, chairman of the Board of the Company) or agent of the Employee Parties, or the termination of such relationship or service, that occurred, existed or arose on or prior to the date of execution of this Agreement, or shall at any time hereafter arise in whole or in part out of any action or omission, matter or thing, or state of facts that has occurred at any time through the date hereof. Anything to the contrary notwithstanding in this Agreement, nothing herein shall release the Executive from any claims based on any right the Company may have to enforce this Agreement.

8. **Media Release.** A press release will be released by the Company via global newswire. A copy of such press release shall be attached to the Company's Form 8-K. The press release and Form 8-K will be released and filed simultaneously and shall in all events be released and filed no later than the 4<sup>th</sup> business day after the Separation Date. The Company shall in all events obtain Executive's approval on the on form, content and language of the press release and Form 8-K which approval will not be unreasonably withheld.

9. **Non-Disparagement.**

9.1. **Mutual Non-Disparagement.** Subject to applicable law, the Company agrees to advise members of the Board and board observers not to, and the Company and Executive covenant and agree that neither they nor any of their respective principals, members, general partners, directors, officers, employees, representatives or agents shall in any way publicly (including in any manner that could reasonably be foreseen to result in public disclosure such as statements to the press or members of the press), criticize, disparage, call into disrepute or otherwise defame or slander the other party or any of its Affiliates, or any of their respective principals, members, general partners, directors, officers, employees or agents, in any manner that would reasonably be expected to damage the business or reputation thereof; provided, however, if any of the Company's or Executive's affiliates, principals, members, general partners, directors, officers, employees or agents shall have breached this section, then the other party or any of its representatives may publicly respond with regards to the subject matter of such breach. The foregoing shall not restrict the ability of any person or entity to comply with any subpoena or other legal process or respond to a request for information (provided that such request is not targeted at this Agreement or the other party hereto) from any governmental authority with competent jurisdiction over the party from whom information is sought or from making any statement or disclosure required under the federal securities laws or other applicable laws; provided, that such party must provide written notice to the other party at least two business days prior to making any such statement or disclosure required under the federal securities laws or other applicable laws that would otherwise be prohibited by the provisions of this Section 9.1, and reasonably consider any comments of such other party. Moreover, the limitations set forth in this Section shall not prevent any Party from responding to any public statement made by the other party of the nature described in Section if such statement by the other party was made in breach of this Agreement.

9.2. The Company and Executive will confer with regard to all inquiries or requests for information regarding Executive or the employment of Executive.

10. **Other Agreements**

10.1. **D&O Coverage.** For so long as Executive is a director or former director of the Company, he will receive Directors and Officers insurance coverage ("D&O") not less beneficial to the Executive and as extensive as the D&O provided to any other current or former director or officer of the Company including tail period D&O coverage of which any current or former director or officer receives.

10.2. **No Mitigation or Offset.** Executive is under no, and has no, obligation to seek other employment or otherwise mitigate the obligations of the Company under this

Agreement, and there shall be no offset against any amounts due under this Agreement on account of any remuneration attributable to any subsequent employment that Executive may obtain.

10.3. Unemployment Insurance. The Company will not do anything, whether directly or indirectly (and whether in whole or in part), to dispute or contest any unemployment compensation claims that Executive might file.

10.4. EA Non-Compete Obligations

10.4.1. The Employment Agreement sets forth certain obligations of Executive (including without limitation, certain restrictive covenants and non-competes obligations (the "EA Non-Compete Obligations")).

10.4.2. The Company agrees that any and all of Executive's obligations to the Company under the Employment Agreement, including without limitation the EA Non-Compete Obligations of Executive, are hereby rendered null and void.

10.5. Survival. The representations and warranties and all covenants and agreements of the Parties contained herein shall survive indefinitely.

11. **Direction and Assignment of Payment and Benefits**. The Company and each Company Subsidiary acknowledged and agrees that Executive at any time and from time to time has the right to instruct the Company (and each Company Subsidiary, as relevant) to make payment of any amounts due and owing to Executive and to issue any shares of stock issuable to Executive hereunder to any Person that Executive in his sole and absolute discretion identifies and designates. Without limiting the generality of the foregoing, Executive has the right at any time and from time to time to assign all or any portion of his rights under this Agreement except the right to be a director or Chairman of the Board, to any Person that Executive in his sole and absolute discretion determines to be an assignee. The power to direct or assign described in this Section may be exercised only if no additional tax burden is imposed on the Company or Company Subsidiaries as a result of such direction or assignment or if Executive assumes such additional tax burden, if any.

12. **Acknowledgments and Affirmations; Representations and Warranties**.

12.1. Executive

12.1.1. Executive affirms that Executive has not filed, caused to be filed, or presently is a party with a third party that as of the date hereof expects to file any claim against the Company with any federal, state, or local court or government or administrative agency.

12.1.2. Executive further affirms that Executive has no known workplace injuries or occupational diseases.

12.1.3. Executive affirms that all of the Company's decisions regarding Executive's pay and benefits through the date of Executive's execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.

12.1.4. The execution, delivery and performance by the Executive of this Agreement and the Relevant Documents (collectively, the “Transaction Documents”) to which he is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of the Executive and no other actions on the part of the Executive is necessary to authorize the execution, delivery or performance of any Transaction Documents by the Executive. The Transaction Documents to which the Executive is a party have been duly executed and delivered by Executive and, assuming that this Agreement and the Transaction Documents are valid and binding obligations of the Company and each Company Subsidiary, such Transaction Documents constitute valid and binding obligations of the Executive, enforceable in accordance with their terms.

## 12.2. Company and Company Subsidiary

### 12.2.1. Organization and Power.

12.2.2. The Company and each Company Subsidiary is a corporation or limited liability company (as relevant) duly incorporated and organized (or formed), validly existing and in good standing under the Laws of the State of its incorporation (or formation, as relevant), and each of them have all requisite corporate power and authority to execute this Agreement and each Relevant Document and to be bound by its obligations hereunder and thereunder.

12.3. The Company’s filings available on the EDGAR system of the Securities and Exchange Commission identifies each Company Subsidiary.

12.4. Authorization; Execution and Delivery; Valid and Binding Agreement; No Breach.

12.5. The execution, delivery and performance by the Company and each Company Subsidiary of this Agreement and the Relevant Documents (collectively, the “Transaction Documents”) to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of the Company and each Company Subsidiary and no other actions on the part of the Company or each Company Subsidiary are necessary to authorize the execution, delivery or performance of any Transaction Documents by the Company and each Company Subsidiary. The Transaction Documents to which the Company and each Company Subsidiary is a party have been duly executed and delivered by Company and each Company Subsidiary and, assuming that this Agreement and the Transaction Documents are valid and binding obligations of Executive, such Transaction Documents constitute valid and binding obligations of the Company and each Company Subsidiary, enforceable in accordance with their terms.

12.6. The execution, delivery and performance of the Transaction Documents by the Company and each Company Subsidiary and the consummation of the transactions contemplated hereby and thereby do not conflict with or result in any breach of, constitute a default under, result in a violation of, result in the creation of any Encumbrance upon any assets of Company and each Company Subsidiary, or require any authorization, consent, approval, exemption or other action by or notice to any Governmental Authority or other third-party, under the provisions of the Charter Documents of the Company and each Company Subsidiary, any Contract to which the

Company and each Company Subsidiary is bound, or any Law or Governmental Order to which the Company and each Company Subsidiary is subject.

12.6.1. The term “Charter Documents” means a Person’s organizational documents, including, without limitation, certificates of formation, certificates of incorporation, certificates of authority, articles of association, bylaws, memoranda of association, operating agreements, member agreements, and any related documents.

12.6.2. The term “Encumbrance” means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

12.6.3. The term “Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision (to the extent that the rules, regulations or orders of such agency or instrumentality have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

12.6.4. The term “Law” or “Laws” means any applicable statute, law, ordinance, regulation, rule, order, decree or code of any Governmental Authority.

13. **Limited Disclosure and Return of Property.** Both parties understand that this document may be filed with the SEC and become publicly available. That being said, however, Executive agrees not to disclose any information regarding the existence or substance of this Agreement, except to Executive’s spouse, advisors (including without limitation, his attorney and accountant), and/or to any federal, state or local government agency.

With the exception of his laptop and desktop computers, Executive affirms that Executive will return all of the Company’s property, documents, and/or any confidential information in Executive’s possession or control after the total cessation of his relationship with the Company.

#### 14. **Tax Matters.**

Withholding. The Company may withhold from any compensation and benefits payable under this Agreement all applicable federal, state, local, or other taxes, and any other applicable withholdings. A summary of the tax implications of this Agreement is provided on Exhibit D.

15. **Governing Law and Interpretation.** This Agreement shall be governed and conformed in accordance with the laws of the state of New York, without regard to its conflict of laws provision. In the event of a breach of any provision of this Agreement, either party may institute an action specifically to enforce any term or terms of this Agreement and/or to seek any damages for breach by filing an arbitration proceeding using JAMS in New York City. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of

this Agreement in full force and effect. If either party shall commence an action or proceeding to enforce any provisions of this Agreement, then the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. Such reimbursement may not exceed \$100,000 in the aggregate.

16. **Specific Performance.** The Parties hereto are entitled to seek all forms of equitable relief (including an injunction and order for specific performance), in addition to all other remedies available at law or in equity.
17. **Notice.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when delivered personally, the third Business Day after having been mailed by certified or registered mail, return receipt requested and postage prepaid, or the first Business Day after the date sent via a nationally recognized overnight courier, or the first Business Day after the date sent via email. "Business Day" is any day other than a Saturday, Sunday or a day on which banks in New York are required or authorized to be closed. Such notices, demands and other communications will be sent to the address indicated in the first paragraph of this Agreement.
18. **No admission of Wrongdoing.** Nothing in this Agreement shall be construed as an admission by Executive or the Company of any wrongdoing, liability, or noncompliance with any federal, state, city, or local rule, ordinance, statute, common law, or other legal obligation.
19. **Amendment.** This Agreement may not be modified, altered or changed except in writing and signed by all Parties affected by such modification, alteration or change.
20. **Entire Agreement.** This Agreement, the Relevant Documents and the other exhibits and schedules attached hereto contain the complete agreement between the parties and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way (including, for the avoidance of doubt, the Employment Agreement).
21. **Fees and Expenses.** Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The fees of counsel with respect to Section 409A advice and opinions will be paid by the Company.

**EXECUTIVE IS ADVISED THAT EXECUTIVE HAS UP TO TWENTY-ONE (21) CALENDAR DAYS TO CONSIDER THIS AGREEMENT. EXECUTIVE ALSO IS ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTIVE'S SIGNING OF THIS AGREEMENT.**

**EXECUTIVE MAY REVOKE THIS AGREEMENT FOR A PERIOD OF SEVEN (7) CALENDAR DAYS FOLLOWING THE DAY EXECUTIVE SIGNS THIS AGREEMENT. ANY REVOCATION WITHIN THIS PERIOD MUST BE SUBMITTED, IN WRITING, TO THE COMPANY'S CHIEF FINANCIAL OFFICER AND STATE, "I HEREBY REVOKE MY ACCEPTANCE OF OUR AGREEMENT." THE REVOCATION MUST BE PERSONALLY DELIVERED TO THE COMPANY'S CHIEF FINANCIAL**

**OFFICER OR HIS/HER DESIGNEE, OR MAILED TO THE COMPANY'S CHIEF FINANCIAL OFFICER AND POSTMARKED WITHIN SEVEN (7) CALENDAR DAYS AFTER EXECUTIVE SIGNS THIS AGREEMENT.**

**EXECUTIVE AGREES THAT ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT, DO NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL UP TO TWENTY-ONE (21) CALENDAR DAY CONSIDERATION PERIOD.**

**EXECUTIVE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS EXECUTIVE HAS OR MIGHT HAVE AGAINST RELEASEES.**

**[Signatures on Next Page]**



The Parties knowingly and voluntarily sign this Agreement as of the date(s) set forth below:

**EXECUTIVE:**

\_\_\_\_\_  
Sam Klepfish

Date: \_\_\_\_\_

**INNOVATIVE FOOD HOLDINGS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FOOD INNOVATIONS, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**FOOD NEW MEDIA GROUP, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**4 THE GOURMET, INC. (d/b/a/ For The Gourmet, Inc.)**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**GOURMET FOODSERVICE GROUP, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**ARTISAN SPECIALTY FOODS, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**HALEY FOOD GROUP, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**GOURMET FOODSERVICE GROUP WAREHOUSE, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**ORGANIC FOOD BROKERS, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**GOURMETING INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**OASIS SALES CORP.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**INNOVATIVE GOURMET, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**FOOD FUNDING, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**LOGISTICS INNOVATIONS, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**M INNOVATIONS LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**P INNOVATIONS LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**INNOVATIVE FOOD PROPERTIES, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**M FOODS INNOVATIONS LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**MI FOODS, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**PLANTBELLY, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**PLANT INNOVATIONS, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**INNOVATIVE FOODS, INC.**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**INNOVATIVE GOURMET PARTNERSHIPS, LLC**

By: \_\_\_\_\_  
Richard Tang, Authorized Signatory

Date: \_\_\_\_\_

**SIDE LETTER TO AGREEMENT AND GENERAL RELEASE**

This Side Letter (“**Side Letter**”) to the Agreement and General Release (“**Agreement**”) is made and entered into as of January \_\_, 2023 by the parties to the Agreement to which it is attached. Uppercase terms not employed in the Agreement shall have the definitions set forth in Section 14 of this Side Letter.

This Side Letter supplements that certain Agreement dated January \_\_, 2023 made and entered into by the parties thereto and incorporates by reference the uppercase terms defined in the Agreement.

1. Appointment as Director. In connection with the general meeting of shareholders of the Company for 2023 and 2024 provided Executive and his Affiliates are the owners of not less than 5% of the outstanding shares of the Company’s Common Stock as of the date of the Agreement which 5% equals 2,388,951 shares (subject to adjustment for reverse stock splits, stock dividends and similar events) (the “**Minimum Ownership Threshold**”), Executive shall be nominated as a candidate for election to the Board of Directors. If elected, Executive shall serve on all committees of the Board of Directors upon which he is permitted to serve (“**Committees**”) and have the right to attend all Board and such Committee meetings both executive and non-executive, subject to the Company’s rules and procedures.

2. Director Nomination Terms.

(a) The Board and all applicable Committees shall:

(i) in connection with each meeting of shareholders at which directors will be elected to take place through the 2024 general meeting of shareholders, the Board shall recommend, support and solicit proxies (or written consents, as applicable) for the election of Executive as a director at each such meeting (or pursuant to such written consents) in the same manner as it recommends, supports, and solicits proxies (or written consents) for the election of other director candidates nominated by the Company; and

(ii) the last sentence of Article III, Section 11 of the Company’s Bylaws will not apply to Executive and his position as a director of the Company, and in no event may Executive be removed as a director by vote or written consent of the Board, pursuant to such provision of the Company’s Bylaws or otherwise except for Cause. Provided that any such Cause shall not constitute Cause unless the Company has provided Executive with (x) written notice of the acts or omissions giving rise to the determination of Cause; and (y) if capable of cure, the opportunity to correct the act or omission within 30 business days after receiving the Company’s notice.

(b) Executive shall promptly (and in any event within ten (10) business days) inform the Company in writing if at any time Executive’s ownership (as determined under Rule 13d-3 promulgated under the Exchange Act) if the amount of Company Common Stock owned by Executive and his Affiliates decreases to less than the Minimum Ownership Threshold.

(c) Executive understands and acknowledges that all members of the Board, including the Executive, are required to comply with all policies, procedures, processes, codes, rules, standards and guidelines applicable to Board members, including the Company’s code of business conduct and ethics, securities trading policies, director confidentiality policies, and corporate governance guidelines, and agrees to preserve the confidentiality of Company business and information, including discussions of matters considered in meetings of the Board or Committees of the Board.

(d) Nothing in this Side Letter shall require the Company, its Committees and directors to take any action contrary to their fiduciary duties as directors of the Company, nor contrary to any law or regulation applicable to the Company and its directors.

3. Appointment as Board Observer. If for any reason Executive is not serving as a director on the Board of Directors, then for so long as Executive owns not less than 3% of the outstanding shares of the Company's Common Stock (as determined as of the date of the Side Letter and subject to adjustment for reverse stock splits, stock dividends and similar events) or any amount is owed to Executive under the Agreement, Executive shall be appointed as an observer to the Board ("Board Observer").

4. Board Observer Terms and Rights.

(a) During the time Executive is a Board Observer, the Company agrees that it will invite Executive to attend, in a non-voting observer capacity, all meetings of the Board and all meetings of each Committee of the Board of Directors for the purposes of permitting Executive to have current information with respect to the affairs of the Company and the actions taken by the Board or a Committee and for the Executive to provide input and advice with respect thereto (the "**Approved Purposes**"). Executive shall have the right to be heard at any such meeting, but in no event shall Executive: (i) be deemed to be a member of the Board or any Committee; (ii) have the right to vote on any matter under consideration by the Board or any Committee or otherwise have any power to cause the Company to take, or not to take, any action; or (iii) except as expressly set forth in this Side Letter, have or be deemed to have, or otherwise be subject to, any duties (fiduciary or otherwise) to the Company or its stockholders or any duties (fiduciary or otherwise) applicable to the directors of the Company. As a non-voting observer, Executive will also be provided (concurrently with delivery to the directors of the Company and in the same manner as delivery is made to them) copies of all notices, minutes, consents, and all other materials or information (financial or otherwise) that are provided to the directors with respect to a meeting or any written consent in lieu of meeting (except to the extent Executive has been excluded therefrom pursuant to clause (c) below).

(b) If a meeting of the Board or a Committee is conducted via telephone or other electronic medium (e.g., videoconference), Executive may attend such meeting via the same medium.

(c) Notwithstanding the foregoing, the Company may exclude Executive from access to any material or meeting or portion thereof if the Board concludes in good faith, or upon advice of the Company's counsel, that such exclusion is reasonably necessary to preserve the attorney-client privilege between the Company and any counsel; provided, however, that any such exclusion shall apply only to such portion of the material or such portion of the meeting which would be required to preserve such privilege and not to any other portion thereof.

(d) The rights described in this Section 4 shall terminate upon the occurrence of any event which would cause the Executive to be removed if he was a director of the Company for Cause, the termination by Executive of his rights under this Section 4.

5. Access to Brooklyn Company Offices. Access to Brooklyn Company Offices. For a 90 day "Transition Period" from the Effective Date, Executive shall have access and use of the offices held under a lease dated January 2020 between Coney Island Realty as "Landlord" and Food New Media Group, Inc. as "Tenant" for premises (the "Lease") comprised of the entire 5th floor located at 2083 Coney Island Avenue, Brooklyn, New York 11223 ("Company Offices"). Executive may use the Company Offices for no cost or charge, during non-business hours, on weekends and holidays and during business hours provided the Company is not utilizing the Company Offices for a bona fide business

purpose. During the Transition Period, the Company and Tenant undertake that they will not terminate the Lease for the Company Offices nor surrender the Company Offices and will actively seek alternative office space for both parties. After the expiration of the 90 day Transition Period, at the Executive's sole discretion, the Executive may 1) elect to take over the Lease terms from the Company, with the Company exiting the entire space or 2) permanently cease the use of Company Offices for personal use. If the Landlord does not agree to the transfer of the Lease, the Executive may sublease the Company Offices from the Company at the same monthly lease rates described in the Lease, with the Company exiting the entire space. If the Company maintains the Lease to the end of the initial term which ends in 2025, and if the Executive is subleasing the space from the Company at that time, and if the Company elects to not exercise any renewal/extension option, the Company and Tenant agree to use their best efforts to obtain the Landlord's consent for the assignment of such Lease to Executive and assign the Lease at no cost to Executive. The Company and Tenant agree to cause Tenant to, and Tenant will, fulfill all of its obligations under the Lease. The Company and Tenant will cause Executive to be included on the liability policy for the Premises as an additional insured.

6. Confidential Treatment of Company Confidential Information.

(a) To the extent that any information obtained by the Executive from the Company (or any director, officer, employee or agent thereof), is confidential information, the Executive shall treat any such Confidential Information as confidential in accordance with the terms and conditions set out in this Section 6.

(b) Except as otherwise provided herein, Executive agrees: (i) to hold Confidential Information in strict confidence; (ii) not to disclose Confidential Information to any third parties; and (iii) not to use any Confidential Information for any purpose except for the Approved Purposes. Executive may disclose the Confidential Information to his responsible agents, advisors, Affiliates (as defined in Rule 405 under the Securities Act of 1933) and representatives with a bona fide need to know ("**Representatives**"), but only to the extent necessary for the Approved Purposes. Executive agrees to instruct all such Representatives not to disclose such Confidential Information to third parties without the prior written permission of the Company. Executive will, at all times, remain liable under the terms of this Side Letter for any unauthorized disclosure or use by any of his Representatives of Confidential Information provided to such Representatives by Executive.

7. Exempted Disclosure. The foregoing restriction on the use and nondisclosure of Confidential Information will not include information which: (i) is, or hereafter becomes, through no act or failure to act on the part of Executive, generally known or available to the public; (ii) was acquired by Executive before receiving such information from the Company, without restriction as to use or disclosure; (iii) is hereafter furnished to Executive by a third party, without, to Executive's knowledge, restriction as to use or disclosure; (iv) was independently developed by Executive; or (v) is required or requested to be disclosed pursuant to judicial, regulatory or administrative process or court order, provided, that to the extent permitted by law, rule or regulation and reasonably practicable under the circumstances, Executive gives the Company prompt notice of such required disclosure so that the Company may challenge the same.

8. Return of Confidential Information. After the total cessation of Executive's relationship with the Company, upon request of the Company, Executive will promptly: (i) return to the Company all physical materials containing or consisting of Confidential Information and all hard copies thereof or destroy same; and (ii) destroy all electronically stored Confidential Information in Executive's possession or control. Executive may retain in his confidential files one copy of any item of Confidential Information in order to comply with any legal, compliance or regulatory requirements. Any Confidential Information that is not returned or destroyed, including, without limitation, any oral Confidential

Information, and all notes, analyses, compilations, studies or other documents prepared by or for the benefit of Executive from such information, will remain subject to the confidentiality obligations set forth in this Side Letter indefinitely.

9. Disclaimers. All Confidential Information is provided to Executive “as is” and the Company does not make any representation or warranty as to the accuracy or completeness of the Confidential Information or any component thereof. The Company will have no liability to Executive resulting from the reliance on the Confidential Information by Executive or any third party to whom such Confidential Information is disclosed. Executive represents and warrants that he has no claims and is unaware of any claims or causes of action that he or any of his Affiliates have against the Company, its directors and officers.

10. Company Ownership of Confidential Information. Executive acknowledges that all of the Confidential Information is owned solely by the Company (or its licensors) and that the unauthorized disclosure or use of such Confidential Information would cause irreparable harm and significant injury, the degree of which may be difficult to ascertain. Therefore, in the event of any breach of this Side Letter, the Company is entitled to seek all forms of equitable relief (including an injunction and order for specific performance), in addition to all other remedies available at law or in equity.

11. Executive Compliance with Securities Laws. Executive agrees that the Confidential Information is given in confidence in accordance with the terms of this Side Letter, and Executive will not take any action relating to the securities of the Company which would constitute insider trading, market manipulation, or any other violation of applicable securities law. Executive agrees to instruct all persons to whom he discloses Confidential Information, permissibly or otherwise, that they may not take any action relating to the securities of the Company which would constitute insider trading, market manipulation, or any other violation of applicable securities law.

12. Capitalized terms herein have the same meaning as used in the Agreement unless otherwise noted.

13. All other provisions of the Agreement remain in full force and effect, other than any provision that conflicts with the terms of this Side Letter, which shall be deemed to be amended in order to be consistent with this Side Letter.

14. Definitions.

(a) “**Affiliate**” shall mean any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act of 1933.

(b) “**Board**” and “**Board of Directors**” shall mean the board of directors of the Company.

(c) “**Cause**” means the Executive’s (i) willful misconduct or gross negligence which causes material harm to the Company; (ii) fraud, embezzlement or willful other material dishonesty with respect to the affairs of the Company or any of its Affiliates; (iii) conviction, plea of nolo contendere, guilty plea, or confession to either a felony or any lesser crime relating to the affairs of the Company or any of its affiliates or of which fraud, embezzlement, or moral turpitude is a material element; or (iv) a willful material breach of this Agreement or a willful breach of a fiduciary duty owed to the Company.



(d) “**Confidential Information**” means all valuable and confidential materials and information (whether or not reduced to writing) that the Executive obtains or to which the Executive obtains access as a result of his activities as Executive, including, without limitation, the following: (a) any and all data, information, materials, systems, processes, procedures or intellectual property owned or used by the Company that is competitively sensitive and not generally known to the public, including, but not limited to, information relating to employees, customers, clients, vendors or suppliers; information provided to the Executive by the Company’s employees, customers, vendors or suppliers; customer lists; any and all financial statements, budgets, projections and related data; information, processes, procedures or systems relating to research and development, engineering, legal matters, human resources, sourcing, operations, purchasing and manufacturing; business, marketing, advertising and sales plans or estimates; internal performance results; information relating to possible partnerships, joint ventures or acquisitions of a party; contracts; business records, corporate books and other Company Entity-related records; (b) any creative, scientific or technical information, drawing, design, diagram, process, plan, method, or formula; and (c) all confidential or proprietary concepts (oral or written), documentation, reports, data, specifications, computer hardware or software, source code, object code, flow charts, databases, inventions, know-how, show how and trade secrets, which pertains to the Company regardless of form and whether or not patented or patentable, copyrighted or able to be copyrighted or registered as a trademark or registrable as a trademark and all modifications, derivative works, enhancements and versions thereof.

IN WITNESS WHEREOF, the parties have executed this Side Letter on the date first above written.

INNOVATIVE FOOD HOLDINGS, INC.

EXECUTIVE

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

SAM KLEPFISH

Acknowledged and Agreed:

Food New Media Group, Inc.

By: \_\_\_\_\_

Name:

Title:



FOR IMMEDIATE RELEASE

**Innovative Food Holdings Announces Leadership Transition**

*Bill Bennett Appointed CEO and Director  
Sam Klepfish to Remain Chairman of the Board of Directors*

BONITA SPRINGS, FL. (February 7, 2023) – Innovative Food Holdings, Inc. (IVFH), a leading specialty food-focused eCommerce platform, today announced that current IVFH CEO Sam Klepfish plans to step down on February 28, 2023 and Bill Bennett, an experienced eCommerce, digital, and grocery leader will join the Company as its new Chief Executive Officer. Additionally, Mr. Bennett will join the Board of Directors. Mr. Klepfish will continue to serve as Chairman of the Board and will be working closely with Mr. Bennett to ensure a smooth and seamless transition.

Mr. Bennett was most recently Vice President of eCommerce for The Kroger Co. In this role, he was responsible for the company's \$10 billion eCommerce business, leading cross-functional partners in marketing, merchandising, product management, supply chain, technology, and analytics to develop and lead a robust eCommerce go-to-market and growth strategy across the enterprise. Mr. Bennett joined Kroger from Walmart where he served for more than seven years in a variety of eCommerce and store leadership roles, including finance, merchandising, strategy, analytics, and product management. Prior to Walmart, he led the pricing strategy team at S.C. Johnson and served in a variety of leadership roles at General Mills. Bill received a bachelor's degree in Business Management with an emphasis in Finance from Brigham Young University and an MBA from the Fuqua School of Business at Duke University.

Jeff Gramm, Bandera Partners, independent board member of IVFH stated, "Attracting an executive of Bill's caliber, expertise, and background validates the power and the future of the IVFH platform. We are thrilled about the opportunities to further leverage and grow IVFH under Bill's leadership, vision, and strategic approach. Bill's passion, energy, and drive to succeed makes me confident that IVFH will thrive under his guidance. We look forward to working with Bill as he focuses on creating significant shareholder value."

Mr. Gramm concluded, "We appreciate what Sam has done to build and transform IVFH from a small upstart company with under \$6 million in revenue to a leading specialty food platform company with over \$77 million in twelve month trailing revenues."

Bill Bennett said "I am thrilled to join IVFH at such an exciting time. The Company's profitable third quarter results and record third quarter sales reflect accelerating momentum and a strong infrastructure that is well positioned for future growth. Sam is a proven eCommerce executive and thought leader who has built IVFH into a leading direct-to-consumer and direct-to-chef specialty food platform. I am excited to continue building on the foundation he created."

Mr. Bennett continued, "IVFH's unique set of assets, supplier relationships, fulfillment capabilities, and eCommerce expertise strongly position its platform for further growth and scale. I believe these capabilities will allow us to lean into our specialty foods marketplace business with broad line distributors, onboard new brands as a full-service third-party logistics provider, and build sustainable DTC businesses with unique customer offerings. With our DTC portfolio of iGourmet.com, Mouth.com, and Plantbelly.com, IVFH has differentiated brands with a unique, on-trend value proposition. The opportunity to lead IVFH is incredibly exciting for me as we work to further grow IVFH's leadership position unlocking significant value for IVFH shareholders. I look forward to updating shareholders in the coming months on our plan to do so."

Mr. Klepfish has been at IVFH for 17 years and has been instrumental in the Company's growth. He joined the Company in 2006 as Interim President and became CEO in 2007. When he joined the Company, IVFH had \$6 million in revenue from one revenue stream, 12 employees, and a rented storefront in a Florida strip mall. Under his leadership, he built IVFH into a leading, multichannel, specialty food company with 130 employees. Today, IVFH has powerful B2B and D2C eCommerce platforms and trailing twelve-month revenue of \$77 million across diversified revenue streams.

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“It has been a great honor to be able to work with our team of talented employees to build and grow IVFH into a leading, multichannel specialty food company with powerful B2B and D2C platforms. As I shift my focus to new entrepreneurial and investment projects, I believe this is the optimal time to transition to a new CEO who can take the Company to the next level by further leveraging the platform we have built,” said Sam Klepfish. “I’m extremely confident the Company is well positioned to achieve significant success under Bill’s leadership. Bill offers a unique and success-driven skillset. He combines an entrepreneurial, high-emotional-IQ management style, with an impressive background and proven track record as an executive at leading and complex consumer companies. On behalf of the Board and leadership team we are excited to welcome Bill to IVFH. I look forward to working with him as he further grows the Company and enhances shareholder value.”

**About Innovative Food Holdings, Inc.**

IVFH’s leading end-to-end direct-to-consumer e-commerce platform and direct-to-chef platform connect the world’s best artisan food makers with top chefs and epicurean consumers nationwide. Our unique ability to reach both specialty foodservice B2B customers and consumers positions IVFH as a compelling resource for artisanal food producers, CPG brands, chefs, and consumers. IVFH’s owned online retailer brands on its leading DTC e-commerce platform include [www.igourmet.com](http://www.igourmet.com) and [www.mouth.com](http://www.mouth.com).

Additional information is available at [www.ivfh.com](http://www.ivfh.com).

**Forward-Looking Statements**

This release contains certain forward-looking statements and information relating to Innovative Food Holdings, Inc. (the “Company”) that are based on the current beliefs of the Company’s management, as well as assumptions made by, and information currently available to, the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain assumptions, including those described in this release. Should one or more of these underlying assumptions prove incorrect, actual results may vary materially from those described herein as “should,” “could,” “will,” “anticipate,” “believe,” “intend,” “plan,” “might,” “potentially” “targeting” or “expect.” Additional factors that could also cause actual results to differ materially relate to the global COVID-19 crisis, international crisis, environmental and economic issues and other risk factors described in our public filings. The Company does not intend to update these forward-looking statements. The content of the websites referenced above are not incorporated herein.

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