

PURPLE INNOVATION, INC.

Senior Management and Independent, Non-Employee Directors Stock Ownership Guidelines

The Board of Directors (the “**Board**”) of Purple Innovation, Inc., for itself and its subsidiaries (collectively “**Company**”) believes that it is in the best interests of the Company for those employees who receive equity grants and the non-employee members of the Board (the “Equity Holders”) to acquire and maintain meaningful equity interests in the Company. Toward that end, the following stock ownership guidelines are hereby approved as of November 12, 2020 (the “**Approval Date**”). These are intended to be guidelines, rather than strict requirements, and, as such, are within the discretion of the Board, through its HR and Compensation Committee (the “**Committee**”), to implement and interpret.

POSITION	OWNERSHIP GUIDELINE
CEO	5X Base Salary
Senior Vice President	3X Base Salary
Other LTIP Participants	1X Base Salary
Non-Employee Directors	3X Annual Cash Compensation

Each Equity Holder of the Company is expected to achieve the level of ownership from equity grants set forth above as soon as possible but no later than five years of the later of (1) the Approval Date or (2) first becoming an Equity Holder (the “**Period**”). Until ownership guidelines are achieved, those subject to the guidelines will be expected to retain 100% of the granted equity. Equity Holders may sell shares to cover taxes if provided for in the grant agreement(s) regardless of whether the ownership guidelines are met. The Committee, in its sole discretion, may extend the time to meet the ownership guidelines for any Equity Holder. If a non-employee director does not meet the ownership guideline within the Period, he or she may receive all future Board compensation in equity until the guideline is met.

For purposes of satisfying the ownership guidelines, the following forms of equity will be included in the stock ownership calculation:

- i. Shares of Common Stock deemed to be beneficially owned under federal securities laws.
- ii. Any time-based restricted stock or restricted stock units (“RSUs”) that are vested.
- iii. Any in-the-money stock options (“Options”) that are vested on a cashless net settlement basis.
- iv. Any stock held for the employee’s benefit in any pension or 401(k) plans.

For clarity, unvested RSUs and Options and vested underwater Options will not count towards satisfaction of the ownership guidelines. The value of an Equity Holder’s stock ownership will be based on his or her then current base salary or annual cash compensation. The value of the Equity Holder’s holdings will be the product of the number of shares deemed to be held multiplied by the 20-day VWAP.

The Committee may, in its discretion, extend the Period or otherwise waive, amend, modify, or terminate these guidelines at any time.