

**TERMS FOR PRIVATE PLACEMENT OF SERIES SEED PREFERRED STOCK OF
IRONCLAD DISTILLERY, INC.**

February 12, 2019

The following is a summary of the principal terms with respect to the proposed Series Seed Preferred Stock financing of Ironclad Distillery, Inc., a Virginia corporation (the “*Company*”). Except for the section entitled “Binding Terms,” this summary of terms does not constitute a legally binding obligation. The parties intend to enter into a legally binding obligation only pursuant to definitive agreements to be negotiated and executed by the parties.

Offering Terms

- Securities to Issue: Shares of Series Seed II Preferred Stock of the Company (the “*Series Seed*”).
- Aggregate Proceeds: \$534,992.52 in aggregate.
- Purchasers: Accredited and non-accredited investors approved by the Company (the “*Purchasers*”).
- Price Per Share: Price per share (the “*Original Issue Price*”), based on a pre-money valuation of \$2,500,784.39
- Liquidation Preference: One times the Original Issue Price plus declared but unpaid dividends on each share of Series Seed II, balance of proceeds paid to Common. A merger, reorganization or similar transaction will be treated as a liquidation.
- Conversion: Convertible into one share of Common (subject to proportional adjustments for stock splits, stock dividends and the like) at any time at the option of the holder.
- Voting Rights: Holders of Series Seed II Preferred Stock of the Company will vote together with the holders of Common Stock and Series Seed I Preferred Stock on all matters coming before the stockholders on an as converted basis, which means that each share of Series Seed II Preferred Stock will initially equate to one vote. Approval of a majority of the Series Seed II Preferred Stock is required to (i) adversely change rights of the Series Seed II Preferred Stock; (ii) authorize a new series of Preferred Stock having rights senior to the Series Seed II Preferred Stock; (iii) redeem or repurchase any shares (other than pursuant to employee or consultant agreements); (iv) declare or pay any dividend; or (v) liquidate or dissolve, including any change of control.
- Documentation: Documents will be identical to the Series Seed Preferred Stock documents published at www.seriesseed.com, except for the modifications set forth in this Term Sheet.
- Financial Information: Purchasers who have invested at least \$50,000 (“*Major Purchasers*”) will receive standard information and inspection rights.
- Participation Right: Major Purchasers will have the right to participate on a pro rata basis in subsequent issuances of equity securities.
- Future Rights: The Series Seed II will be given the same rights as the next series of Preferred Stock (with appropriate adjustments for economic terms).
- Proxy Voting: The purchaser appoints MicroVenture Marketplace Inc. as the sole and exclusive attorney and proxy of Stockholder, with full power of substitution and resubstitution, to vote and exercise all voting and related rights (to the fullest extent that Stockholder is entitled to do so) with respect to all of the shares Series Seed II Preferred Stock of the Company

Binding Terms: For a period of thirty days, the Company shall not solicit offers from other parties for any financing. Without the consent of Purchasers, the Company shall not disclose these terms to anyone other than officers, directors, key service providers, and other potential Purchasers in this financing.

COMPANY: IRONCLAD DISTILLERY
INC.

PURCHASERS:

Name: _____
Title: _____
Date: _____

Name: _____
Title: _____
Date: _____

Confidential

Confidential

Confidential

**IRREVOCABLE PROXY TO VOTE STOCK OF
IRONCLAD DISTILLERY, INC.**

The undersigned stockholder, and any successors or assigns ("Stockholder"), of Ironclad Distillery, Inc., a Virginia corporation (the "Company") hereby irrevocably (to the fullest extent permitted by applicable law) appoints MicroVenture Marketplace Inc. (such person, the "Proxy"), or any other designee of Proxy, as the sole and exclusive attorney and proxy of Stockholder, with full power of substitution and resubstitution, to vote and exercise all voting and related rights (to the fullest extent that Stockholder is entitled to do so) with respect to all of the shares Series Seed II Preferred Stock of the Company that now are or hereafter may be beneficially owned by Stockholder, and any and all other shares or securities of the Company issued or issuable in respect thereof on or after the date hereof (collectively, the "Shares") in accordance with the terms of this Irrevocable Proxy. The Shares beneficially owned by Stockholder as of the date of this Irrevocable Proxy are listed on the final page of this Irrevocable Proxy. Upon Stockholder's execution of this Irrevocable Proxy, any and all prior proxies (other than this Irrevocable Proxy) given Stockholder with respect to the Shares are hereby revoked and Stockholder agrees not to grant any subsequent proxies with respect to the Shares or enter into any agreement or understanding with any person to vote or give instructions with respect to such subject matter in any manner inconsistent with the terms of this Irrevocable Proxy as long as the Shares are outstanding.

This Irrevocable Proxy is irrevocable (to the fullest extent permitted by applicable law), is coupled with an interest sufficient in law to support an irrevocable proxy.

The attorney and proxy named above is hereby authorized and empowered by Stockholder, at any time, to act as Stockholder's attorney and proxy to vote the Shares, and to exercise all voting and other rights of Stockholder with respect to the Shares (including, without limitation, the power to execute and deliver written consents pursuant to Section 13.1 of the Virginia Stock Corporation Act), at every annual, special or adjourned meeting of the stockholders of the Company and in every written consent in lieu of such meeting.

All authority herein conferred shall survive the death or incapacity of Stockholder and any obligation of Stockholder hereunder shall be binding upon the heirs, personal representatives, successors and assigns of Stockholder.

This Irrevocable Proxy is coupled with an interest as aforesaid and is irrevocable. This Irrevocable Proxy may not be amended or otherwise modified without the prior written consent of Company.

Dated: _____

(Signature of Stockholder)

Shares beneficially owned on the date hereof and/or to be owned following the Closing: _____