



August 28, 2020

Dear Fellow Shareholders,

It is with great pleasure that I am writing to you as Chairman of the Board of HealthWarehouse.com at a time when your Company is in an excellent position to capitalize on the many opportunities these unprecedented times have presented.

This is my first annual meeting as your Chairman. I am impressed by the quality of the HealthWarehouse.com Board, the management team they direct, and the employees who deliver the great customer service we provide.

I am excited to recommend Sara Mannix as a candidate for election to our Board. Sara's extensive digital marketing and advertising experience will prove valuable as we explore growth initiatives. If elected, Sara will become our second independent director, and will improve the diversity of the Board, which we prioritized in our search.

Although 2019 proved to be a difficult year in terms of revenue growth, we reached milestones in other areas, including operating efficiencies and processing times, cash flow and net promoter scores. These were achieved through many efforts, but most notably our investment in automation and dedicated customer retention teams.

We are grateful for the united effort and dedication of our employees, who focus each day on taking care of our customers. We are asking for your approval to increase our equity incentive plan to reward key employees for their efforts and give them a vested interest in the future of our Company.

2020 is shaping up to be a much better year than 2019 for revenue growth at your Company. The first-half financial results we announced last week show that our revenues are up 16 percent so far this year, and our process improvements are beginning to pay off in greater capacity and efficiency.

As we look beyond 2020, we will continue to evaluate initiatives to diversify our revenue stream and improve our capital structure. As we prepare to take advantage of several opportunities, we are requesting your approval to increase the number of our authorized shares, and approve a reverse split of our common shares. These actions will provide flexibility for our Company to act on opportunities that present themselves.

Due to the limitations and uncertainty related to the pandemic, our 2020 Annual Meeting of Stockholders will be held telephonically at 10 a.m. EDT on October 7, 2020. You may participate by following the instructions in the proxy materials we are mailing to all shareholders.

Your vote is important to us, and we ask that you vote at your earliest convenience FOR each of the proposals set forth in the Proxy Statement. We greatly appreciate your support.

Best regards,

Tim Reilly
Chairman of the Board



HEALTHWAREHOUSE.COM, INC.
7107 Industrial Road
Florence, Kentucky 41042

**NOTICE OF 2020 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON OCTOBER 7, 2020**

To Our Stockholders:

You are invited to attend the 2020 Annual Meeting of Stockholders (the "Annual Meeting") of HealthWarehouse.com, Inc. (the "Company" or "HealthWarehouse"). The Annual Meeting will be held virtually on October 7, 2020 at 10:00 a.m. (EDT), for the following purposes, as more fully described in the accompanying Proxy Statement:

1. To elect four directors. The following persons have been nominated by the Board -- (i) Jack Britts, (ii) Sara Mannix, (iii) Joseph Peters, and (iv) Tim Reilly, -- to serve for a one-year term until the 2021 Annual Meeting of Stockholders or until their respective successors are duly elected and qualified;
2. For holders of Series B preferred stock, to elect one additional director -- Joe Heimbrock -- to serve for a one-year term until the 2021 Annual Meeting of Stockholders or until his successor is duly elected and qualified;
3. To amend the 2014 Equity Incentive Plan to increase the number of shares authorized for issuance under the plan and to make certain other changes;
4. To amend our Certificate of Incorporation to increase the number of authorized shares of common stock that may be issued;
5. To amend our Certificate of Incorporation to effect a reverse stock split of the Company's common stock at a ratio of 1-for-50 and to decrease the number of authorized shares of common stock; and
6. To ratify the appointment of Marcum LLP as our independent registered public accounting firm for the year ending December 31, 2020.

The Board of Directors of the Company has approved the foregoing proposals and recommends that you vote "FOR" each of the director nominees and "FOR" the other proposals. Whether or not you are personally able to attend the meeting telephonically, please complete, sign and date the enclosed proxy card and return it in the enclosed prepaid envelope as soon as possible. In addition, you may vote over the Internet or by telephone. This action will not limit your right to vote at the meeting.

The Board has fixed the close of business on August 18, 2020 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting or any adjournment thereof. Shares of common stock of the Company and shares of the Series B and Series C preferred stock of the Company may be voted at the meeting only if the holder is present at the meeting telephonically or by valid proxy.

A complete list of stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder for any purpose in connection with the Annual Meeting during normal business hours at our principal executive offices for a period of at least 10 days prior to the Annual Meeting.

By Order of the Board of Directors,
Joseph Peters, President and Chief Executive Officer

Your Vote Is Important, No Matter How Many Shares You Own.

Due to the public health impact of the coronavirus outbreak (COVID-19) and to support the health and well-being of our stockholders, directors and employees, our Annual Meeting will be held in a virtual meeting format only. You will not be able to attend the Annual Meeting physically. You may participate in the meeting by calling our conference line at (914)614-3429 and enter access code 987-838-795. If you wish to vote at the meeting or change your previously provided proxy card, you may request a ballot during the meeting as well as instructions on how to vote by sending an email to Leanne Crupper at lcupper@healthwarehouse.com during the meeting

If you have questions about how to vote your shares on the proxy card,
or need additional assistance, please contact:

Leanne Crupper
1-800-748-7001 x7039

The Board invites you to attend the Annual Meeting telephonically. The Annual Meeting will begin promptly at 10:00 a.m. (EDT). Your attention is directed to the attached Proxy Statement for a discussion of the foregoing proposals.

REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE PROMPTLY COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE, WHICH REQUIRES NO ADDITIONAL POSTAGE IF IT IS MAILED IN THE UNITED STATES. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED AT THE ANNUAL MEETING.

References in this Proxy Statement to the terms "*we*," "*our*," "*us*," "*HealthWarehouse*" and the "*Company*" each refer to HealthWarehouse.com, Inc.; the term "*Board*" means our Board of Directors; the term "*proxy materials*" means this Proxy Statement and the enclosed proxy card; the term "*holders*" when referring to holders of our common stock or preferred stock entitled to vote at the Annual Meeting means holders of record as of the close of business on August 18, 2020; and the terms "*Annual Meeting*" and "*meeting*" mean our 2020 Annual Meeting of Stockholders, including any postponements or adjournments thereof.

We are mailing the Proxy Statement and the accompanying proxy to our stockholders on or about August 28, 2020.



HEALTHWAREHOUSE.COM, INC.

**PROXY STATEMENT
FOR
2020 ANNUAL MEETING OF STOCKHOLDERS**

General

The accompanying proxy is solicited by the Board of Directors of HealthWarehouse.com, Inc. to be voted at the 2020 Annual Meeting of Stockholders to be held virtually on October 7, 2020 at 10:00 a.m. (EDT). This Proxy Statement and accompanying proxy are being mailed to stockholders on or about August 28, 2020, for the following purposes:

1. To elect four directors: (i) Jack Britts, (ii) Sara Mannix, (iii) Joseph Peters, and (iv) Tim Reilly to hold office for a one year term until the 2021 Annual Meeting or until their respective successors are duly elected and qualified;
2. For holders of Series B preferred stock, to elect one additional director -- Joe Heimbrock -- to serve for a one-year term until the 2021 Annual Meeting of Stockholders or until his successor is duly elected and qualified;
3. To amend the 2014 Equity Incentive Plan to increase the number of shares authorized for issuance under the plan and to make certain other changes;
4. To amend our Certificate of Incorporation to increase the number of authorized shares of common stock that may be issued
5. To amend our Certificate of Incorporation to effect a reverse stock split of the Company's common stock at a ratio of 1-for-50 and to decrease the number of authorized shares of common stock; and
6. To ratify the appointment of Marcum LLP as our independent registered public accounting firm for the year ending December 31, 2020.

Our Board of Directors urges common stockholders to vote FOR the following nominees for director in Proposal No. 1:

Jack Britts
Sara Mannix
Joseph Peters
Tim Reilly

Record Date, Quorum, Voting

Holders of record of our shares of common and preferred stock at the close of business on August 18, 2020 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting. On the Record Date, 50,863,259 shares of common stock, 517,359 shares of Series B preferred stock and 10,000 shares of Series C preferred stock were issued and outstanding. Each share of common stock is entitled to one vote on each of the proposals being submitted to stockholders, each share of Series B preferred stock is entitled to 14.2 votes on each of the proposals being submitted to stockholders, and each share of Series C preferred stock is entitled to one vote on each of the proposals being submitted to stockholders, except that only holders of the Series B preferred stock are entitled to vote

on Proposal No. 2 for the election of the Series B preferred stockholder nominee for director (i.e., Joe Heimbrock) and except that each share of the Series B preferred stock is entitled to only one vote per share on the election of the Series B preferred stock nominee. The number of votes held by all holders of the outstanding common stock and Series B and Series C preferred stock and entitled to vote at the Annual Meeting aggregate 58,219,757 votes.

Pursuant to the Company's Amended and Restated Bylaws, the holders of shares of stock of the Company entitled to cast a majority of the total votes entitled to be cast by the holders of all outstanding capital stock of the Company, present in person or by proxy at the Annual Meeting, shall constitute a quorum for all purposes. Votes for and against, abstentions and "broker non-votes" will each be counted as present for purposes of determining the presence of a quorum.

Directors will be elected by a plurality of the votes cast at the Annual Meeting, meaning that the four nominees in Proposal No. 1 who receive the most votes will be elected as directors. Only votes cast FOR a nominee will be counted. Instructions on the accompanying proxy card to withhold authority to vote for one or more of the nominees will result in those nominees receiving fewer votes but will not count as a vote "AGAINST" the nominees. Abstentions, withheld votes and broker non-votes (which occur when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular matter because such broker, bank or other nominee does not have discretionary authority to vote on that matter and has not received voting instructions from the beneficial owner) are counted as present for purposes of determining the presence of a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will also result in those nominees receiving fewer votes but will not count as a vote "AGAINST" the nominees. Stockholders have no right to cumulate votes in the election of directors.

The election of the Series B preferred stock nominee in Proposal No. 2 will be by a plurality of the votes cast at the Annual Meeting by holders of Series B preferred stock. MVI Partners, LLC, which holds 95.7% of the outstanding Series B preferred stock, nominated the Series B nominee and controls the election of such nominee.

Proposal No. 3, to amend the 2014 Equity Incentive Plan to increase the number of shares available under the Plan; and Proposal No.6, ratification of the appointment of our independent registered public accounting firm, requires the affirmative vote of holders of a majority of the votes cast on the proposal at the Annual Meeting, with the common stock and preferred stock voting together as a class. Abstentions and broker non-votes are not considered to be votes cast on these proposals, and as a result, will have no effect on the outcome of the vote on these proposals.

Proposal No. 4 to amend our Certificate of Incorporation to increase the authorized number of shares of common stock and Proposal No. 5 to amend our Certificate of Incorporation to effect a reverse stock split of the Company's common stock at a ratio of 1-for 50 and to decrease the number of authorized shares of common stock requires the affirmative vote of holders of a majority of the outstanding votes eligible to be cast on the proposal at the Annual Meeting, with the common stock and preferred stock voting together as a class. Abstentions and broker non-votes are not considered to be votes cast on these proposals, and as a result, will have the same effect as a vote against these proposals

Stockholders of Record

You are a "stockholder of record" if your shares are registered directly in your name with our transfer agent, American Stock Transfer. As a stockholder of record, you have the right to grant your voting proxy directly to the Company or to vote at the Annual Meeting. We have enclosed a proxy card for you to use.

Shares Held in Street Name

If your shares are held by a broker, bank, trustee or other stockholder of record, in nominee name or otherwise, exercising fiduciary powers (typically referred to as being held in "street name"), you will receive a separate voting instruction form with this Proxy Statement. As the beneficial owner, you have the right to direct your broker, bank, trustee or nominee how to vote your shares, and you are also invited to attend the Annual Meeting telephonically. If you hold your shares in street name and do not provide voting instructions to your broker, bank, trustee or nominee,

your shares will not be voted on any proposals on which such party does not have discretionary authority to vote (a "broker non-vote"), as further described below under the heading "Broker Non-Votes."

Please note that if your shares are held of record by a broker, bank or nominee and you wish to vote at the meeting, you will not be permitted to vote in person unless you first obtain a proxy issued in your name from the record holder.

Broker Non-Votes

Broker non-votes are shares held in street name by brokers or nominees who are present in person or represented by proxy, but which are not voted on a particular matter because the brokers or nominees do not have discretionary authority with respect to that proposal and they have not received voting instructions from the beneficial owner. Under the rules that govern brokers, brokers have the discretion to vote on routine matters, but not on non-routine matters. Routine matters include Proposal No. 6, the ratification of the appointment of the Company's independent registered public accountants. The election of directors, Proposal No. 3 to amend the 2014 Equity Incentive Plan, Proposal No. 4 to amend the Certificate of Incorporation to increase the number of authorized shares of common stock and Proposal No .5 to amend the Certificate of Incorporation and to approve the Reverse Split are considered to be non-routine matters. *As a result, if you do not provide your broker or nominee with voting instructions on the election of directors, Proposal No. 3 to amend the 2014 Equity Incentive Plan, Proposal No. 4 to amend the Certificate of Incorporation to increase the authorized number of shares of common stock and Proposal No .5 to approve the Reverse Split, your shares will not be voted on these proposals.*

Voting Matters

Holders of record of our common stock as of the close of business on August 18, 2020 are entitled to cast one vote per share of common stock on each matter presented for consideration by the stockholders at the Annual Meeting other than Proposal No. 2. Holders of record of our Series B preferred stock as of the close of business on August 18, 2020 are entitled to cast 14.2 votes per share of Series B preferred stock on each matter presented for consideration by all stockholders voting together and one vote per share for the Series B preferred stockholder nominee for election as a director in Proposal No. 2. Holders of record of our Series C preferred stock as of the close of business on August 18, 2020 are entitled to cast one vote per share on each matter presented for consideration by the stockholders at the Annual Meeting other than Proposal No. 2. A list of stockholders of record entitled to vote at the Annual Meeting will be available for examination by any stockholder for a proper purpose during normal business hours at the executive offices of the Company for a period of at least 10 days preceding the day of the Annual Meeting.

We urge you to mark, date, sign and return the enclosed proxy card as promptly as possible in the postage-prepaid envelope provided. Your shares will be voted in accordance with your voting instructions if the proxy card is received prior to or at the meeting. If you sign and return your proxy card but do not give voting instructions, your shares will be voted (1) FOR ALL of the four nominees named in Proposal No. 1 in this Proxy Statement; (2) FOR the Series B preferred stockholder nominee if you are a Series B preferred stockholder; (3) FOR the proposal to amend the 2014 Equity Incentive Plan to increase the number of shares authorized for issuance under the plan and make certain other changes; (4) FOR the proposal to amend our Certificate of Incorporation to increase the authorized number of shares of common stock; (5) FOR the proposal to amend our Certificate of Incorporation to effect a reverse stock split of the Company's common stock at a ratio of 1-for-50 and to decrease the number of authorized shares of common stock and (6) FOR the ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the year ending December 31, 2020; and (7) as the proxy holders deem advisable, in their discretion, on any other matters that may properly come before the Annual Meeting.

Number of Directors

The Certificate of Designations for our Series B preferred stock provides that for so long as any shares of such preferred stock are outstanding, the Board shall consist of five members, with the holders of the Series B preferred stock, voting as a separate class, entitled to elect one member. The Board is responsible for identifying and selecting potential candidates for the remaining four seats on our Board, and the Board believes that its four nominees have a strong background in executive leadership and management, accounting and finance, and Company and industry knowledge.

The holders of the Series B preferred stock have submitted Joe Heimbrock to fill the Series B preferred stock seat on the Board in connection with the Annual Meeting.

Proxies

All shares represented by a proxy will be voted, and where a stockholder specifies a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the specifications so made. If a stockholder signs and returns a proxy card but does not indicate a choice on the proxy card, the shares will be voted in favor of the election of each of the nominees for director contained in this Proxy Statement and in favor of each of the other proposals considered at the Annual Meeting.

Voting Instructions

If you are a stockholder of record, you can vote by mail by marking, dating and signing your proxy card in accordance with the instructions on it and returning it by mail in the pre-addressed reply envelope provided with the proxy materials. Your proxy card must be received prior to the Annual Meeting. In addition, you may vote over the Internet or by telephone by following the directions on your proxy card.

If you wish to vote at the meeting or change your previously provided proxy card, you may request a ballot during the meeting as well as instructions on how to vote by sending an email to Leanne Crupper at lcrupper@hesalthwarehouse.com during the meeting

Proxy Revocation Procedure

A proxy may be revoked at any time before it has been exercised with regard to any matter (i) by executing and delivering, prior to the shares being voted at the Annual Meeting, a proxy dated as of a later date than a previously executed and delivered proxy, (ii) by attending the Annual Meeting telephonically and voting at the meeting, or (iii) by written notice of revocation mailed to and received by the Secretary of the Company prior to the shares being voted at the Annual Meeting. Attendance at the Annual Meeting will not in and of itself revoke a proxy. If your shares are held by a bank, broker or other agent, you may change your vote by submitting new voting instructions to your bank, broker or other agent or, if you have obtained a legal proxy from your bank, broker or other agent giving you the right to vote your shares, by attending the Annual Meeting and voting in person.

Voting Results

We expect to announce preliminary voting results at the Annual Meeting. We may report the final results in a press release or other submission to the OTC.

Board Committees

Audit Committee

Our Audit Committee currently consists of Tim Reilly, Joe Heimbrock and Jack Britts. The functions of the Audit Committee include the retention of our independent registered public accounting firm, reviewing and approving the planned scope, proposed fee arrangement and results of the Company's annual audit, reviewing the adequacy of the Company's accounting and financial controls and reviewing the independence of the Company's independent registered public accounting firm.

Compensation Committee

Our Compensation Committee of the Board of Directors currently consists of Jack Britts, Tim Reilly and Joe Heimbrock. The function of the Compensation Committee is to recommend to the full Board of Directors the compensation to be offered to our executive officers and the compensation to be offered to our directors. The Compensation Committee also administers our 2009 Incentive Compensation Plan and our 2014 Equity Incentive Plan, and recommends and approves grants of stock options and restricted stock under that plan.

Governance and Nominating Committee

Our Governance and Nominating Committee of the Board of Directors currently consists of Jack Britts, Tim Reilly and Joe Heimbrock. The function of the Governance and Nominating Committee is, among other things, to identify individuals to become members of the Board, periodically reviews the size and composition of the Board, evaluates the performance of Board members, makes recommendations regarding the determination of a director's independence, recommends committee appointments and chairpersons to the Board, periodically reviews and recommends to the Board updates to the Company's Corporate Governance Guidelines and related Company policies.

Stockholder Nominees

In nominating candidates for election as a director, the Board will consider candidates recommended by stockholders who satisfy the notice, information and consent provisions set forth in our Amended and Restated Bylaws. Stockholders who wish to recommend a candidate may do so by writing to the Board of Directors in care of the Corporate Secretary, at HealthWarehouse.com, 7107 Industrial Road, Florence, Kentucky 41042. The Board will use the same evaluation process for director nominees recommended by stockholders as it uses for other director nominees. A copy of our Amended and Restated Bylaws may be obtained by any stockholder upon request to our Corporate Secretary or through the OTC markets website www.otcmarkets.com/stock/HEWA/news.

Communications with the Board of Directors

Stockholders are invited to communicate to the Board or its committees or to any individual director or to the independent directors as a group, by writing to: HealthWarehouse.com, Inc., Chairman of the Board of Directors or the Chair of a Board committee, 7107 Industrial Road, Florence, Kentucky, 41042, Attention: Corporate Secretary. All such stockholder communications will be forwarded to the specific director or directors to whom the communications are addressed. Appropriate responses will be provided to stockholders on a timely basis. Please note that the foregoing communication procedure does not apply to (i) stockholder proposals governed by our Bylaws and communications made in connection with such proposals or (ii) service of process or any other notice in a legal proceeding.

PROPOSAL ONE—ELECTION OF DIRECTORS

The Board of Directors

Our Amended and Restated Certificate of Incorporation provides that each director shall be elected at each annual meeting of stockholders for a term of one year. Our Board currently consists of the following four directors: Jack Britts, Joe Heimbrock, Tim Reilly and Joseph Peters, each of whose terms expire at the meeting.

The total number of directors eligible to be elected at the Annual Meeting by all stockholders voting together on Proposal No. 1 is four, with the directors to be elected by a plurality of the votes cast by holders of shares of our common stock and our Series B and Series C preferred stock, voting together as a single class. With respect to the foregoing vote, the common stock and the Series C preferred stock is entitled to one vote per share, and the Series B preferred stock is entitled to the number of votes equal to the number of shares of common stock into which such shares of Series B preferred stock could be converted immediately after the close of business on the record date fixed for the Annual Meeting.

Director Nominees

The Board, serving as a nominating committee, nominated the following four people for election as directors: (i) Jack Britts, (ii) Sara Mannix, (iii) Joseph Peters, and (iv) Tim Reilly. Messrs. Britts, Peters and Reilly are current members of the Board. The holders of the Series B preferred stock nominated Joe Heimbrock for election as the Series B preferred stock director. If elected, these nominees will hold office as directors until our 2021 Annual Meeting and until their respective successors are duly elected and qualified or until their earlier death, resignation or removal.

Biographical Information of Directors and Director Nominees

The following provides information regarding each of the Board's nominees, including their business experience, their length of service on the Board where applicable and their age as of July 31, 2020:

Tim Reilly, Chairman of the Board, age 57, is a business owner and investor with several business interests. He was elected to the Board in September 2019. Mr. Reilly is currently Chairman of MVI Enterprises, Inc., a holding company with interests in transportation, finance and real estate. He is also the founder and Managing Director of Melrose Capital Advisors LLC, a provider of capital and advisory services to small and mid-sized businesses. Mr. Reilly was the former President and Owner of MVI Group, the largest network of commercial truck and bus dealerships in the state of Ohio. After building a network of 10 locations, Mr. Reilly sold MVI Group to Rush Enterprises, headquartered in New Braunfels, Texas, in 2012. Prior to his time in the dealership industry, Mr. Reilly was President and Owner of the Dayton Bomber's Professional Hockey Team in Dayton, Ohio which he sold in 2005. Prior to acquiring the hockey team, Mr. Reilly enjoyed a 17-year career in the commercial banking industry including Managing Director of PNC Capital Markets, the investment banking unit of PNC Bank. Mr. Reilly brings value to the Board through his executive leadership in building business organizations and experience in the capital markets and acquisition and sale of companies.

Jack Britts, age 60, currently serves as a business consultant and investor focusing on pharmaceutical and healthcare companies. He has served on the Board since September 2017. Mr. Britts has over 30 years of diverse experience including, serving as Co-Chief Executive Officer, Chief Operating Officer and Member of the Board of Directors of Crown Laboratories from July 2012 through 2014, a fully integrated pharmaceutical company. Prior to Crown and for more than five years, Mr. Britts was President and Chief Executive Officer of Merz Pharmaceuticals LLC, a privately held multinational pharmaceutical company specializing in neurology and dermatology. Mr. Britts' executive leadership and management experience in the pharmaceutical industry, both as an executive and board member, and in budgeting, financial reporting and planning adds additional experience and value to the Company's board.

Joseph Peters, age 34, was appointed Chief Executive Officer and President of the HealthWarehouse.com effective January 1, 2018. Previously, Mr. Peters served as interim President and Chief Executive Office from April 2017 until December 31, 2017. He joined the Board on July 24, 2017. Mr. Peters has been employed by the Company in various capacities since 2012. He has served the Company as a customer support manager from 2012 to 2013, a human resources manager from 2013 to 2014, and Vice President of Operations from 2014. Mr. Peters brings extensive pharmaceutical experience to the management of the Company and industry knowledge, together with his management experience, make him a highly qualified executive officer and director of the Company.

Sara Mannix, age 53, is the President of Mannix Marketing, Inc., a company she founded in 1996 with a focus on organic search to help businesses "get found on the web". Since then, her company has evolved into a full-service digital marketing agency with a core focus of helping business grow by growing their website traffic, conversions, leads and sales. Mannix Marketing has either been shortlisted or won the industry's top award for organic search "Best in Search US" for seven years in a row. The business is located in upstate NY, employs a team of 25 digital marketing specialists and serves over 1000 clients nationwide. Ms. Mannix graduated Summa Cum Laude from the University at Albany with a double major in Spanish and Italian. Her extensive experience in marketing and executive leadership makes Ms. Mannix a valuable addition to the Company and the Board.

All of the Board's nominees have indicated a willingness to serve as directors if elected, and the Company has no reason to believe that any nominee will be unavailable to serve. Each nominee has consented to being named in the Proxy Statement and has agreed to serve if elected. If any of them should decline or be unable to act as a director, the proxy holders will vote for the election of any other persons the Board may nominate.

Vote Required and Board Recommendations

The directors will be elected by a plurality of the votes, which means the four nominees who receive the greatest number of FOR votes in Proposal No. 1 will be elected. If you hold your shares through a broker and you do not instruct the broker on how to vote on this proposal, your broker will not have authority to vote your shares. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence

of a quorum, but will not have any effect on the outcome of the proposal. Stockholders have no right to cumulate votes in the election of directors.

The shares represented by the accompanying proxy will be voted FOR the election of the above-mentioned four nominees for director, unless a stockholder requests that voting of the proxy be withheld for any one or more of the nominees for directors by so directing on the proxy card. If any nominee becomes unavailable for any reason (which event is not anticipated) to serve as a director at the time of the meeting, then the shares represented by such proxy may be voted for such other person as may be determined by the proxy holders who intend to vote for such other person the Board may nominate.

The Board of Directors recommends that the stockholders vote "FOR" each of the nominees listed above (Item 1 on the enclosed proxy card).

PROPOSAL TWO—ELECTION OF DIRECTOR BY THE SERIES B PREFERRED STOCK

Under the Certificate of Designations designating the rights and privileges of the Company's Series B preferred stock, the holders of the Company's Series B preferred stock have the right to designate or elect one of the Company's directors. The holders of the Series B preferred stock have nominated Joe Heimbrock to fill the Series B seat on the Board in connection with the Annual Meeting. Mr. Heimbrock was first appointed as a director in April 2016. Certain biographical information of the Series B preferred stock nominee for director follows:

Joe Heimbrock, age 65, has served as a director since April 2016 and is the managing partner of MVI Partners, LLC. Mr. Heimbrock has over 30 years of business experience in the commercial trucking industry, including sales, marketing and operational management. He most recently served as the Regional General Manager in Ohio for Rush Enterprises, Inc., which is headquartered in New Braunfels, Texas. Rush Enterprises owns and operates the nation's largest network of commercial vehicle dealerships, including new and used trucks through its Rush Truck Centers. Prior thereto, Mr. Heimbrock was Vice President of MVI Enterprises, the largest truck dealership network in Ohio which was purchased by Rush Enterprises in 2012. Mr. Heimbrock brings to the Board extensive business and financial expertise.

Vote Required and Board Recommendations

The Series B director will be elected by a plurality of the votes, which means the Series B preferred stockholder nominee who receives the greatest number of FOR votes will be elected.

The shares represented by the accompanying proxy for Series B preferred stockholders will be voted FOR election as a director the above-mentioned nominee, unless a stockholder requests that voting of the proxy be withheld for such nominee by so directing on the proxy card. If the nominee becomes unavailable for any reason (which event is not anticipated) to serve as a director at the time of the meeting, then the shares represented by such proxy may be voted for such other person as may be determined by the proxy holders.

Only the holders of the Series B preferred stock will vote for the election of the Series B preferred stock nominee for election as a director.

The Board of Directors recommends that the Series B preferred stockholders vote "FOR" the nominee listed above (Item 2 on the enclosed proxy card for Series B preferred stockholders).

PROPOSAL THREE - TO APPROVE AN AMENDMENT TO THE 2014 EQUITY INCENTIVE PLAN TO INCREASE THE NUMBER OF SHARES AUTHORIZED FOR ISSUANCE UNDER THE PLAN AND TO MAKE CERTAIN OTHER CHANGES

In recent years, we have emphasized the grant of stock options at market rate exercise prices as a means of providing long-term incentive compensation to, and encouraging a long-term commitment by, our directors and employees. These grants have been made pursuant to the 2009 Incentive Compensation Plan (the "2009 Equity Plan") and our 2014 Equity Incentive Plan (the "2014 Equity Plan").

We believe that stock options and other stock compensation have enhanced our ability to provide compensation to our directors and employees. Because of the limited number of shares available under our plans for future grants, our board of directors unanimously approved amendments to the 2014 Equity Plan to (i) Section 4(a) to increase the number of shares available for grant under the plan from 12,000,000 shares to 18,000,000 shares, and (ii) Section 9 to clarify that other stock-based awards granted to directors in lieu of cash directors fees are not subject to a minimum three year vesting schedule (the “Amendments”).

Adoption of the Amendments is subject to stockholder approval at the Annual Meeting. The 2009 Equity Plan expired on May 15, 2019 and no further shares are available for grant under the plan. In addition, awards covering 10,885,154 shares of common stock were granted and outstanding under the 2014 Equity Plan, leaving only 1,114,846 shares of common stock available for future grant under the 2014 Equity Plan.

Our board of directors unanimously recommends that stockholders approve the Amendments to the 2014 Equity Plan. As discussed in more detail below, the 2014 Equity Plan permits the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, other stock-based awards and performance awards to employees.

The following brief description of the material features of the 2014 Equity Incentive Plan, as amended, is qualified in its entirety by reference to the full text of the plan. You may obtain a copy of the plan upon request to: HealthWarehouse.com, Inc., 7107 Industrial Road, Florence, Kentucky 40142, Attention: Leanne Crupper, Corporate Secretary.

Highlights of the 2014 Equity Plan, as Amended

The 2014 Equity Plan contains a number of provisions which we believe are consistent with the interests of stockholders and sound corporate governance practices. These include:

- **No Stock Option Repricings.** The 2014 Equity Plan prohibits the repricing of stock options without the approval of our stockholders. This provision applies to both direct repricings - lowering the exercise price of a stock option - and indirect repricings - canceling an outstanding stock option and granting a replacement stock option with a lower exercise price.
- **Limitation on Shares Issued for Non-Performance Based Restricted Stock Awards or Restricted Stock Units.** Under the 2014 Equity Plan, as amended, no more than 6,000,000 shares of common stock may be awarded in the form of restricted stock or restricted stock units which are not subject to the achievement of a performance target or targets. The 2014 Equity Plan thus emphasizes a balance of grants of stock options, performance awards and stock appreciation rights. While we have predominately granted stock options to our employees under our stock compensation plans, we have issued restricted stock awards to executives and directors for the stock-based portion of their compensation since 2017.
- **No Discount Stock Options.** The 2014 Equity Plan prohibits the grant of a stock option with a per share exercise price which is less than the fair market value of a share of common stock on the date the stock option is granted. Similarly, stock appreciation rights must have a per share exercise price which is at least equal to the fair market value of a share of common stock on the date the award is granted.
- **Minimum Three-Year Vesting Period for Restricted Stock and Other Stock-Based Awards.** Under the 2014 Equity Plan, the minimum vesting period for restricted stock, restricted stock units and other stock-based awards which are not earned based on the Company’s achievement of specified performance goals or provided in lieu of directors fees, base salary or annual bonus is three years (i.e., vesting no faster than one-third per year), subject to exceptions for disability, death or a change in control.
- **No “Evergreen” Provision.** The 2014 Equity Plan provides for a fixed number of shares available under the plan, subject to adjustment based on certain standard anti-dilution provisions. As a result,

stockholder approval will be required in the future for any increase in the number of shares available under the plan, other than adjustments based on the anti-dilution provisions.

Administration of the 2014 Equity Plan

The 2014 Equity Plan is administered by the Compensation Committee of our board of directors, which shall be composed of not less than two directors, each of whom shall be:

- a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as from time to time amended (the “Exchange Act”), to the extent necessary to comply with such provision of the Exchange Act,
- an “outside director” within the meaning of Section 162(m) of the Code,
- to the extent necessary to comply with any applicable listing or quotation requirements relating to our common stock, an “independent” director within the meaning of such requirements.

The Committee has, among other powers, the power to interpret and administer the 2014 Equity Plan and any instrument or agreement relating thereto, as well as to establish, amend, suspend or waive such rules and regulations as it shall deem appropriate in connection with its administration of the 2014 Equity Plan.

The Committee has the discretion to determine the number and type of awards to be awarded to any participant, subject to the following limitations:

- in no event shall a participant receive an award or awards under the 2014 Equity Plan during any one calendar year covering in the aggregate more than 1,500,000 shares of common stock (whether such award or awards may be settled in shares of common stock, cash or any combination thereof); and
- in no event shall there be granted during the term of the 2014 Equity Plan restricted stock or restricted stock units which are not subject to the achievement of a performance target or targets covering more than an aggregate of 6,000,000 shares of common stock.

Types of Awards Which May Be Granted Under the 2014 Equity Plan

Stock Options. The Committee may grant stock options under the 2014 Equity Plan to purchase common stock, including options which are intended to qualify as incentive stock options under the Code and options which are not intended to so qualify, or nonqualified options. The purchase price of a share of common stock under each type of option shall not be less than the fair market value of a share of common stock on the date the option is granted. Options shall be exercisable in accordance with the terms established by the Committee, provided that options may not have a term which exceeds ten years. The full purchase price of each share of common stock purchased upon the exercise of any option shall be paid at the time of exercise of the option. Such payment may be made (i) in cash or its equivalent, (ii) by delivery of a properly executed exercise notice, together with irrevocable instructions to a broker to sell the shares and then to properly deliver to the Company the amount of sale proceeds to pay the exercise price, (iii) at the discretion of the board or the Committee, by delivering shares of common stock (including shares acquired pursuant to the exercise of an option) equal in fair market value to the purchase price of the shares to be acquired pursuant to the option, (iv) at the discretion of the board or the Committee, by withholding some of the shares of common stock which are being purchased upon exercise of an option, or (v) any combination of the foregoing, provided that the combined value of all cash and cash equivalents and the fair market value of shares tendered to the Company is at least equal to such exercise price.

Stock Appreciation Rights. The Committee may grant under the 2014 Equity Plan a stock appreciation right in connection with all or any portion of a contemporaneously granted option or independent of any option grant. Stock appreciation rights shall be exercisable in accordance with the terms established by the Committee. A stock appreciation right entitles the participant to receive the amount by which the fair market value of a specified number of shares of common stock on the exercise date exceeds an exercise price established by the Committee, which shall

not be less than 100% of the fair market value of the common stock at the time the stock appreciation right is granted. Such excess amount shall be payable in common stock, in cash, or in a combination thereof, as determined by the Committee.

Restricted Stock and Restricted Stock Units. The Committee may grant under the 2014 Equity Plan shares of restricted stock, which are shares of common stock which are subject to a substantial risk of forfeiture due to a restriction based on continued employment or the occurrence of other events, as determined by the Committee, and restricted stock units, which are similarly subject to a substantial risk of forfeiture and may be settled either by the delivery of one share of common stock for each restricted stock unit or in cash in an amount equal to the fair market value of one share of common stock for each restricted stock unit, as determined by the Committee. Any such awards shall be subject to such conditions and have such terms as may be determined by the Committee, provided that restricted stock and restricted stock units which have not been granted in lieu of directors fees, base salary or bonuses or which have a restriction based on completion of a specified period of service with the Company without the Company's achievement of a performance goal determined by the Committee shall have a minimum vesting period of three years from the date of grant (i.e., vesting no faster than one-third per year), except in the event of a change in control of the Company and, in the sole discretion of the Committee, in the event of the participant's death or disability. Except as otherwise provided in the applicable award agreement, a participant shall have all of the rights of a stockholder with respect to the shares covered by the restricted stock award, and a participant shall have none of the rights of a stockholder with respect to restricted stock units until such time as shares are paid in settlement of the restricted stock units. Unless otherwise provided in the applicable award agreement, shares covered by restricted stock awards will be entitled to full dividend rights and any dividends paid will be paid or distributed to the holder at such time as the underlying shares become vested and earned by the participant.

Other Stock-Based Awards. The Committee may grant under the 2014 Equity Plan any other stock-based award, which is any award of shares of common stock or other award denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of common stock which is not described above and is deemed by the Committee to be consistent with the purposes of the 2014 Equity Plan. The Committee shall determine the terms and conditions of any other stock-based award and whether such awards shall be paid in cash, shares of common stock or in a combination thereof, provided that any other stock-based award which is not granted in lieu of directors fees, base salary or bonuses or which is not subject to the Company's achievement of a performance goal determined by the Committee shall have a minimum vesting period of three years from the date of grant (i.e., vesting no faster than one-third per year), except in the event of a change in control of the Company and, in the sole discretion of the Committee, in the event of the participant's death or disability.

Performance Awards. Under the 2014 Equity Plan, the Committee has sole and complete authority to determine the extent to which an award of stock options, stock appreciation rights, restricted stock, restricted stock units or other stock-based awards shall be subject to the achievement of one or more performance goals over one or more performance periods.

Subject to the terms of the 2014 Equity Plan, the Committee shall determine the performance goals to be achieved during any performance period, the length of any performance period, the amount of any performance award and the amount and kind of any payment or transfer to be made pursuant to any performance award.

Each performance award shall be earned, vested and payable only upon the achievement of performance goals established by the Committee based upon one or more of the criteria set forth in the plan, together with the satisfaction of any other conditions, such as continued employment, as the Committee may determine to be appropriate; provided, however, that the Committee may provide at the time of grant in the applicable award agreement that achievement of such performance goals will be waived (with the performance award deemed earned) in whole or in part or will be deemed to have been satisfied at a specified level, that the performance period shall be shortened, and/or that the payment under the performance award shall be pro-rated to reflect the reduced performance period upon the termination of employment of a participant by reason of death or disability, or the occurrence of a change in control of the Company. Performance awards may be paid in a lump sum or in installments following the close of the performance period, provided that no full and/or partial payment of a performance award granted hereunder may be made to a covered employee until the Committee has certified in writing the attainment by the Company of the applicable performance target or performance targets over the applicable performance period or performance periods.

Performance goals may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or other external measure of the selected performance goals. A performance goal may include or exclude items that measure specific objectives, such as the cumulative effect of changes in generally accepted accounting principles, losses resulting from discontinued operations, securities gains and losses, restructuring, merger-related and other nonrecurring costs, amortization of goodwill and other intangible assets, extraordinary gains or losses and any unusual, nonrecurring gain or loss that is separately quantified in the Company's financial statements. Any performance goal expressed on a per-share basis shall, in case of a recapitalization, stock dividend, stock split or reverse stock split affecting the number of outstanding shares, be mathematically adjusted by the Committee so that the change in outstanding shares does not cause a substantive change in the relevant goal. The Committee may adjust performance goals for any other objective events or occurrences which occur during a performance period, including, but not limited to, acquisitions by the Company and changes in applicable tax laws or accounting principles.

Award Agreements and Certain Award Terms

Each award will be evidenced by an award agreement that will be delivered to the participant specifying the terms and conditions of the award and any rules applicable to such award. Upon a change in control of the Company, as defined in the 2014 Equity Plan, all outstanding awards will vest, become immediately exercisable or payable or have all restrictions lifted as may apply to the type of award granted. Awards may not be assigned, pledged, sold or otherwise transferred or encumbered, except by will or the laws of descent and distribution or pursuant to a qualified domestic relations order; provided, however, an award may be transferable under the 2014 Equity Plan to the extent determined by the Committee and set forth in the applicable award agreement or, with respect to awards which are incentive stock options, if such provisions do not prevent the incentive stock options from qualifying as such under applicable laws and regulations.

Eligible Participants

Under the 2014 Equity Plan, any employee, officer, consultant or non-employee director of the Company or the Company's affiliates may be designated by the Committee as a participant and receive awards thereunder. Non-employee directors are not eligible to receive awards of incentive stock options under the plan. As of July 31, 2020, the Company had approximately 101 officers and employees and four non-employee directors eligible to participate in the 2014 Equity Plan.

Shares Reserved Under the 2014 Equity Plan

The number of shares of common stock that may be issued pursuant to the 2014 Equity Plan, as amended, is 18,000,000, which represents approximately 22% of the outstanding common stock on a fully diluted basis, assuming full conversion of outstanding preferred stock and exercise of outstanding options and warrants.

None of the shares shall be the subject of more than one award at any time, but if an award is cancelled or forfeited or if an award terminates, expires or lapses for any reason, then any unissued or forfeited shares subject to the award shall again become available for grant under the 2014 Equity Plan as if no awards had been previously granted with respect to such shares. Shares withheld from an award or delivered by a participant to satisfy minimum tax withholding requirements or to pay the exercise price of stock options or stock appreciation rights will not be available for future grants of awards under the plan.

The total number of shares of common stock that may be issued pursuant to the 2014 Equity Plan is subject to adjustment by the Committee in the event of stock dividends, stock splits, combination of shares, recapitalizations or other changes in the outstanding common stock effected without receipt or payment of consideration by the Company. The shares issuable under the 2014 Equity Plan may be from either authorized but previously unissued shares of common stock or from reacquired shares of common stock, including shares purchased by the Company on the open market or in private transactions and held as treasury shares.

Effective Date

The effective date of the 2014 Equity Plan was August 28, 2014, which is the date the board of directors originally approved the plan. The 2014 Equity Plan shall remain in effect until the earlier of the date that no additional shares of Common Stock are available for issuance under the 2014 Equity Plan, the date that the 2014 Equity Plan has been terminated in accordance with its terms or the close of business on the tenth annual anniversary of the effective date of the 2014 Equity Plan. Termination of the 2014 Equity Plan shall not affect any awards previously granted, and such awards shall remain valid and in effect until they have been fully exercised or earned, are surrendered or by their terms expire or are forfeited.

Amendment and Termination of the 2014 Equity Plan and Awards Thereunder

The board of directors of the Company may amend, alter, suspend, discontinue or terminate the 2014 Equity Plan or any portion thereof at any time, provided that no such action shall be made that would adversely affect the rights of any participant or any holder or beneficiary of any award theretofore granted without the consent of the affected participant, holder or beneficiary, or that without the approval of the stockholders of the Company would:

- except as provided in the 2014 Equity Plan in connection with adjustments to the outstanding common stock, increase the total number of shares with respect to which awards may be granted under the 2014 Equity Plan;
- change the employees or class of employees or non-employee directors eligible to participate in the 2014 Equity Plan;
- reduce the exercise price for options and stock appreciation rights by repricing or replacing such awards; or
- change the performance goals which may be established for performance awards.

The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award theretofore granted under the 2014 Equity Plan, prospectively or retroactively, provided that any such action that would adversely affect the rights of any participant or any holder or beneficiary of any award theretofore granted shall not to that extent be effective without the consent of the affected participant, holder or beneficiary. Moreover, except as provided in the 2014 Equity Plan in connection with adjustments to the outstanding common stock or unusual or nonrecurring events as determined by the Committee, the Committee shall not have the authority to cancel any outstanding option or stock appreciation right and issue a new option or stock appreciation right in its place with a lower exercise price without the approval of the stockholders of the Company.

Discussion of Federal Income Tax Consequences

Set forth below is a summary of certain federal income tax consequences under the Internal Revenue Code relating to awards which may be granted under the 2014 Equity Plan.

Incentive Stock Options. No taxable income is recognized by the optionee upon the grant or exercise of an incentive stock option that meets the requirements of Section 422 of the Code. Non-employee directors are not permitted to receive incentive stock options under the Code. However, the exercise of an incentive stock option may result in alternative minimum tax liability for the optionee. If no disposition of shares issued to an optionee pursuant to the exercise of an incentive stock option is made by the optionee within two years from the date of grant or within one year after the date of exercise, then upon sale of such shares, any amount realized in excess of the exercise price (the amount paid for the shares) will be taxed to the optionee as a long-term capital gain and any loss realized will be a long-term capital loss, and no deduction will be allowed to the Company for federal income tax purposes.

If shares of Common Stock acquired upon the exercise of an incentive stock option are disposed of prior to the expiration of the two-year and one-year holding periods described above (a “disqualifying disposition”), the optionee generally will recognize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of the shares on the date of exercise over the exercise price of the underlying options, and the

Company will be entitled to deduct such amount, subject to the provisions of Section 162(m) of the Code if the Company becomes subject to such section in the future. If the shares of Common Stock acquired upon exercise of an incentive stock option decline in value after the date of exercise, however, the ordinary income recognized by the optionee is limited to the difference between the sales price and the amount paid for the shares. Any gain realized from the sale of shares in excess of the amount taxed as ordinary income will be taxed as capital gain and will not be deductible by the Company.

An incentive stock option will not be eligible for the tax treatment described above if it is exercised more than three months following termination of employment, except in certain cases where the incentive stock option is exercised after the death or permanent and total disability of the optionee. If an incentive stock option is exercised at a time when it no longer qualifies for the tax treatment described above, the option will be treated as a nonqualified stock option.

Nonqualified Stock Options. No taxable income is recognized by the optionee at the time a nonqualified stock option is granted under the 2014 Equity Plan. Generally, on the date of exercise of a nonqualified stock option, ordinary income is recognized by the optionee in an amount equal to the difference between the exercise price and the fair market value of the shares on the date of exercise, and the Company receives a tax deduction for the same amount, subject to the provisions of Section 162(m) of the Code if the Company becomes subject to such section in the future. Upon disposition of the shares acquired, an optionee generally recognizes the appreciation or depreciation on the shares after the date of exercise as either short-term or long-term capital gain or loss depending on how long the shares have been held.

If the stock received upon exercise of an option or stock appreciation right is subject to a substantial risk of forfeiture, the income and the deduction, if any, associated with such award may be deferred in accordance with the rules described below for restricted stock. In general, Common Stock issued upon exercise of an option or stock appreciation right granted under the 2014 Equity Plan will be transferable and not subject to a risk of forfeiture at the time issued.

Stock Appreciation Rights. No income will be recognized by a participant in connection with the grant of a stock appreciation right. When the stock appreciation right is exercised, the participant generally will be required to include as taxable ordinary income in the year of such exercise an amount equal to the amount of cash received and the fair market value of any stock received. The Company generally will be entitled to a deduction equal to the amount includable as ordinary income by such participant, subject to the provisions of Section 162(m) of the Code if the Company becomes subject to such section in the future.

Restricted Stock. A recipient of restricted stock generally will be subject to tax at ordinary income rates on the excess of the fair market value of the stock (measured at the time the stock is either transferable or is no longer subject to forfeiture) over the amount, if any, paid for such stock. However, a recipient who elects under Section 83(b) of the Code within 30 days of the date of issuance of the restricted stock to be taxed at the time of issuance of the restricted stock will recognize ordinary income on the date of issuance equal to the fair market value of the shares of restricted stock at that time (measured as if the shares were unrestricted and could be sold immediately), minus any amount paid for such stock. If the shares subject to such election are forfeited, the recipient will be entitled to a capital loss for tax purposes only for the amount paid for the forfeited shares, not the amount recognized as ordinary income as a result of the Section 83(b) election. The holding period to determine whether the recipient has long-term or short-term capital gain or loss upon sale of shares begins when the forfeiture period expires (or upon issuance of the shares, if the recipient elected immediate recognition of income under Section 83(b) of the Code). The Company generally will be entitled to a deduction equal to the amount that is taxable as ordinary compensation income to the participant, subject to the provisions of Section 162(m) of the Code if the Company becomes subject to such section in the future.

Restricted Stock Units. A participant who is awarded restricted stock units will not recognize income at the time of grant. When a participant receives payment for restricted stock units in shares of Common Stock or cash, the fair market value of the shares or the amount of the cash received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company, subject to the provisions of Section 162(m) of the Code if the Company becomes subject to such section in the future. However, if there is a substantial risk that any shares of Common Stock used to pay out earned restricted stock units will be forfeited (for example, because the

Committee conditions such shares on the performance of future services), the taxable event is deferred until the risk of forfeiture lapses. In this case, the participant can elect to make an election under Section 83(b) of the Code, as described above. The Company can take a deduction for federal income tax purposes at the time the ordinary income is recognized by the participant, subject to the provisions of Section 162(m) of the Code if the Company becomes subject to such section in the future.

Other Stock-Based Awards. The federal income tax treatment of other stock-based awards which may be granted under the 2014 Equity Plan will depend on the specific terms of such awards.

Performance Awards. A participant generally will not recognize income, and the Company will not be allowed a tax deduction, at the time performance awards are granted, so long as the awards are subject to a substantial risk of forfeiture. When the participant receives or has the right to receive cash, stock or other property in settlement of a performance award, the cash amount or the fair market value of the stock or other property will be ordinary income to the participant, and the Company will be allowed a corresponding federal income tax deduction at that time, subject to the provisions of Section 162(m) of the Code if the Company becomes subject to such section in the future.

Section 409A of the Code. The 2014 Equity Plan permits the grant of various types of incentive awards, which may or may not be exempt from Section 409A of the Code. If an award is subject to Section 409A, and if the requirements of Section 409A are not met, the taxable events as described above could apply earlier than described, and could result in the imposition of additional taxes and penalties. Restricted stock awards, and stock options and stock appreciation rights that comply with the terms of the 2014 Equity Plan and do not have a deferral feature, are generally exempt from the application of Section 409A. Stock units and other stock-based awards generally are subject to Section 409A unless they are designed to satisfy the short-term deferral exemption under such law. If not exempt, such awards will be specially designed or may be amended, or the 2014 Equity Plan may be amended, to meet the requirements of Section 409A in order to avoid early taxation and penalties.

Parachute Payments. The acceleration of the vesting or payment of an award under the 2014 Equity Plan in connection with a change in control of the Company may, depending upon the individual circumstances of the participant, cause certain amounts attributable thereto to be treated as “excess parachute payments” as defined in Section 280G of the Code. “Excess parachute payments” are non-deductible by the Company for purposes of the Code and subject the employee to a 20% federal excise tax thereon in addition to regular income taxes.

Withholding. The Company or any affiliate is authorized to withhold from any award under the 2014 Equity Plan, from any payment due or transfer made under any award or from any compensation or other amount owing to a participant the amount (in cash, shares, other securities, other awards or other property) of any applicable withholding taxes in respect of any award, its exercise or any payment or transfer under an award or under the 2014 Equity Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

The above description of tax consequences is necessarily general in nature and does not purport to be complete. Moreover, statutory provisions are subject to change (in some cases retroactively), as are their interpretations, and their application may vary in individual circumstances. Finally, the consequences under applicable state and local income tax laws may not be the same as under federal income tax laws.

Our Board of Directors unanimously recommends that you vote “FOR” approval of the Amendments to the 2014 Equity Incentive Plan, increasing in the number of shares available for grant under the plan and certain other changes (Proposal No. 3 on the enclosed proxy card).

**PROPOSAL FOUR – TO APPROVE AN AMENDMENT TO OUR
CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF
COMMON STOCK TO 125,000,000**

Our Board of Directors has approved, subject to stockholder approval, an amendment to our Certificate of Incorporation (the “Amendment”) to increase the number of authorized shares of the Company’s common stock from 100,000,000 to 125,000,000.

If the Amendment is approved by our stockholders at the Annual Meeting, and the Board does not elect to proceed immediately with the Reverse Split described in Proposal No. 5, we intend to file a Certificate of Amendment with the Secretary of State of Delaware as soon as practicable following the Annual Meeting amending the first paragraph of Article Fourth of our Certificate of Incorporation to read as follows:

“Fourth: This Corporation is authorized to issue two classes of shares to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of Common Stock that this Corporation is authorized to issue is 125,000,000, with a par value of \$0.001 per share, and the total number of shares of Preferred Stock that this Corporation is authorized to issue is 1,000,000, with a par value of \$0.001 per share. Shares of Common Stock or Preferred Stock that are redeemed, purchased or otherwise acquired by the Corporation may be reissued except as otherwise provided by law.”

The increase in the authorized number of shares of common stock will be effective upon filing of the Certificate of Amendment with the Secretary of State of Delaware.

Outstanding Shares and Purpose of the Proposal

Our Certificate of Incorporation currently authorizes us to issue a maximum of 100,000,000 shares of common stock, par value \$0.001 per share, and 1,000,000 shares of preferred stock, \$0.001 par value per share. As of July 31, 2020, we had the following shares of common stock issued and outstanding as well as the following securities convertible into or exercisable for shares of common stock:

- 52,042,471 issued and 50,863,259 outstanding shares of common stock;
- 517,359 issued and outstanding shares of Series B preferred stock, convertible into 7,346,498 shares of common stock;
- Warrants to purchase an aggregate of 973,367 shares of common stock, with a weighted average exercise price of \$0.38 per share;
- Options to purchase 5,474,975 shares of common stock at a weighted average exercise price of \$0.26 per share; and
- Convertible promissory notes convertible into 17,708,334 shares of common stock at conversion prices of \$0.12 and \$0.14 per share.

We have 17,633,567 shares of common stock available to be issued as new shares of common stock or securities convertible into common stock as of July 31, 2020. If the amendment to the 2014 Stock Incentive Plan is approved by stockholders at the Annual Meeting, the Company will allocate 6,000,000 of the available shares of common stock to fund awards under the plan, leaving 11,633,567 available to be issued.

The Board believes that the increase in authorized shares of common stock will provide the Company greater flexibility with respect to the Company’s capital structure, including additional equity financings and stock-based compensation.

Effects of the Increase in Authorized Common Stock

The additional shares of common stock will have the same rights as the presently authorized shares, including the right to cast one vote per share of common stock. Although the authorization of additional shares will not, in itself, have any effect on the rights of any holder of our common stock, the future issuance of additional shares of common

stock (other than by way of a stock split or dividend) would have the effect of diluting the voting rights and could have the effect of diluting earnings per share and book value per share of existing stockholders.

At present, other than in connection with the possible conversion or exercise of securities convertible into or exercisable for common stock as set forth above (each at the option of their respective holders) and except as set forth below, the Board of Directors has no other plans to issue the additional shares of common stock to be authorized by the Amendment. If Proposal No. 3 above is approved, we intend to reserve newly authorized shares of common stock for issuance pursuant to the 2014 Equity Incentive Plan. It is also possible that some of the newly authorized additional shares could be used in the future for various other purposes without further stockholder approval, except as such approval may be required in particular cases by our charter documents, applicable law or the rules of any stock exchange or other market on which our securities may then be listed. These purposes may include establishing strategic relationships with other companies and expanding the Company's business or product lines through the acquisition of other businesses or products.

Coordination with Reverse Stock Split

In the event that Proposal No.5 to approve the Reverse Split is approved, as described below, and the Board of Directors elects to proceed immediately with the Reverse Split, then the amendment to the Certificate of Incorporation to increase the authorized number of shares of common stock will not be necessary and will be abandoned.

Required Vote

Approval of the Amendment requires the receipt of the affirmative vote of holders of a majority of all votes entitled to be cast at the Annual Meeting by holders of the common stock and preferred stock outstanding at the close of business on the voting record date, voting together as a class.

The Board of Directors of the Company recommends that stockholders vote "FOR" approval of the Amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of the Company's common stock from 100,000,000 to 125,000,000 (Item 4 on the enclosed proxy card).

PROPOSAL FIVE -APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT OF THE COMMON STOCK AT A RATIO OF 1-FOR-50 AND TO REDUCE THE NUMBER OF AUTHORIZED COMMON SHARES

Purpose of the Reverse Split

The Company's Board of Directors has determined that it is in our best interest to effect a reverse stock split of our common stock of one share for every fifty shares outstanding so that every fifty outstanding shares of common stock before the stock split shall represent one share of common stock after the stock split, with any fractional shares paid in cash in lieu thereof (the "Reverse Split"). The Board of Directors believes that the price of the common stock is too low to attract certain investors and limits liquidity to current stockholders. In order to proportionally raise the per share price of the common stock by reducing the number of shares of the common stock outstanding, the Board of Directors believes that it is in the best interests of our stockholders to implement the Reverse Split. The Board of Directors believes that our common stock is undervalued and that the Reverse Split will allow the Company's common stock to trade in a more realistic price range.

The Board of Directors also believes that the increased market price of the common stock expected as a result of implementing the Reverse Split will improve the marketability and liquidity of the Common Stock and will encourage interest and trading in the common stock. Because of the trading volatility often associated with low-priced stocks, many brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced stocks or tend to discourage individual brokers from recommending low-priced stocks to their customers. Some of those policies and practices may function to make the processing of trades in low-priced stocks economically unattractive to brokers. Additionally, because brokers' commissions on low-priced stocks generally represent a higher percentage of the stock price than commissions on higher-priced stocks, the current average price per share of common stock can result in individual stockholders paying transaction costs representing a

higher percentage of their total share value than would be the case if the share price were substantially higher. It should be noted that the liquidity of the common stock may be harmed by the proposed Reverse Split given the reduced number of shares that would be outstanding after the Reverse Split. The Board is hopeful, however, that the anticipated higher market price will reduce, to some extent, the negative effects on the liquidity and marketability of the common stock inherent in some of the policies and practices of institutional investors and brokerage houses described above. Consequently, the Board of Directors has recommended that stockholders vote to approve the Reverse Split.

Principal Effects of the Reverse Split

On the effective date of the Reverse Split, each fifty of our common stock issued and outstanding immediately prior to the Reverse Split effective date (the “Old Shares”) will automatically and without any action on the part of the stockholders be converted into one share of our common stock (the “New Shares”).

Corporate matters. The Reverse Split would have the following effects based upon the number of shares of common stock outstanding as of its effective date:

- Every fifty of our Old Shares owned by a stockholder would be exchanged for one New Share;
- No fractional shares shall be issued and, in lieu thereof, any resulting fractional share shall be entitled to receive a cash payment equal to the fraction of which such holder would otherwise be entitled multiplied by the weighted average per share price of the common stock on the OTC Market for the thirty (30) days prior to the effective date of the Reverse Split; and
- The estimated number of shares of our common stock issued and outstanding will be reduced from 52,042,471 and 50,863,259 shares, respectively, to 1,025,748 and 1,002,164 shares, respectively.

The Reverse Split will be effected simultaneously for all of our outstanding common stock and the exchange ratio will be the same for all of our outstanding common stock. The Reverse Split will affect all of our stockholders uniformly and will not affect any stockholder’s percentage ownership interests in the Company, except to the extent that the Reverse Split results in any of our stockholders owning a fractional share. As described below, stockholders and holders of options and warrants holding fractional shares will be adjusted proportional based on the exchange ratio. Common stock issued pursuant to the Reverse Split will remain fully paid and non-assessable.

Fractional Shares. No scrip or fractional share certificates will be issued in connection with the Reverse Split. Stockholders who otherwise would be entitled to receive fractional shares because they hold a number of Old Shares not evenly divisible by the one for fifty Reverse Split ratio, will be entitled, upon surrender of certificate(s) representing these shares, in lieu thereof, any resulting fractional share shall be entitled to receive a cash payment equal to the fraction of which such holder would otherwise be entitled multiplied by the weighted average per share price of the common stock on the OTC Market for the thirty (30) days prior to the effective date of the Reverse Split.

Convertible Securities. The proposed Reverse Split will also reduce the number of shares of common stock available for issuance under the Company’s 2014 Equity Incentive Plan in proportion to the Reverse Split ratio. The Company also has outstanding stock options, warrants and convertible notes pursuant to which shares of Common Stock will be issued upon exercise or conversion (the “Convertible Securities”). Under the terms of the applicable Convertible Security, the number of shares subject to the Convertible Security will be proportionately reduced by the reverse split exchange ratio. In addition, the exercise or conversion price of each outstanding Convertible Security will be proportionately increased by the ratio.

Preferred Stock. Pursuant to our Certificate of Incorporation, in addition to our common stock, our authorized capital stock includes 1,000,000 shares of preferred stock, par value \$0.001 per share. The proposed amendment to our Certificate of Incorporation to effect the Reverse Split and the authorized share reduction would not impact the total authorized number of shares of preferred stock or the par value of the preferred stock. However, the conversion rate of any series of preferred stock convertible into common stock will be adjusted in accordance with the reverse split exchange ratio.

Authorized Shares. The Company is presently authorized under its Certificate of Incorporation to issue 100,000,000 shares of common stock (125,000,000 if Proposal No. 4 is approved and effective.) Upon effectiveness of the Reverse Split, the number of authorized shares of common stock will be reduced from 100,000,000 (or 125,000,000) to 2,500,000. This reduction in the number of authorized shares of common stock is in direct proportion to the Reverse Split ratio. We do not have any current plans to issue any of the additional newly authorized common shares that will result from this reduction in the number of authorized common shares in a different proportion than the Reverse Split ratio. The issuance in the future of additional shares of our common stock may have the effect of diluting the earnings per share and book value per share, as well as the stock ownership and voting rights of the currently outstanding shares of our common stock. Authorized but unissued shares will be available for issuance, and we may issue such shares in future financings or otherwise. If we issue additional shares, the ownership interest of holders of our common stock would be diluted.

Accounting Matters. The Reverse Split will not affect the par value of our common stock. As a result, on the effective date of the Reverse Split, the stated capital on our balance sheet attributable to our common stock will be reduced in proportion to the Reverse Split ratio (that is, in a one-for-fifty reverse stock split, the stated capital attributable to our common stock will be reduced to one fiftieth of its existing amount) and the additional paid-in capital account shall be credited with the amount by which the stated capital is reduced. The per share net income or loss and net book value of our common stock will also be increased because there will be fewer shares of our common stock outstanding.

Certain Risk Factors Associated with the Reverse Split. Implementation of the Reverse Split entails various risks, including but not limited to the following:

- There can be no assurance that the market price per share of the common stock after the Reverse Split will remain unchanged or increase in proportion to the reduction in the number of shares of common stock outstanding before the Reverse Split.
- There can be no assurance that the Reverse Split will result in a per share price that will be attractive to investors. As a result, the trading liquidity of the common stock may not necessarily improve.
- The reduced number of shares of common stock that would be outstanding after the Reverse Split could adversely affect the liquidity of the common stock.
- After the Reverse Split is effected, if the market price of the common stock declines, the percentage may be greater than would occur in the absence of the Reverse Split.

Procedure for Effecting a Reverse Stock Split and Exchange of Stock Certificates

The Reverse Split and the reduction in the number of authorized common shares will be accomplished by amending the first paragraph of Article FOURTH of the Company's Certificate of Incorporation to read in its entirety as follows:

Fourth: This Corporation is authorized to issue two classes of shares to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of Common Stock that this Corporation is authorized to issue is 2,500,000, with a par value of \$0.001 per share, and the total number of shares of Preferred Stock that this Corporation is authorized to issue is 1,000,000, with a par value of \$0.001 per share. Effective as of 5:00 p.m., Eastern time, on the date this Certificate of Amendment to the Certificate of Incorporation is filed with the Secretary of State of the State of Delaware (the "Effective Date"), each Fifty (50) shares of the Corporation's Common Stock, par value \$0.001 per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value \$0.001 per share, of the Corporation. No fractional shares shall be issued and, in lieu thereof, any resulting fractional share shall be entitled to receive a cash payment equal to the fraction of which such holder would otherwise be entitled multiplied by the weighted average per share price of the Common Stock on the OTC Market for the thirty (30) days prior to the Effective Date. Shares of Common Stock or Preferred Stock that are cancelled, redeemed, purchased or otherwise acquired by the Corporation may be reissued except as otherwise provided by law."

The Reverse Split will become effective at such future date as determined by the Board of Directors, as evidenced by the filing of the Amendment with the Secretary of State of the State of Delaware (which we refer to as the "Effective Time"). Beginning at the Effective Time, each certificate representing Old Shares will be deemed for all corporate purposes to evidence ownership of New Shares.

As soon as practicable after the Effective Time, stockholders will be notified that the Reverse Split has been effected. The Company's transfer agent, American Stock Transfer & Trust Company, LLC, will act as exchange agent for purposes of implementing the exchange of stock certificates. Holders of Old Shares will be asked to surrender to the exchange agent certificates representing Old Shares in exchange for certificates representing New Shares in accordance with the procedures to be set forth in the letter of transmittal the Company sends to its stockholders. No new certificates will be issued to any stockholder until such stockholder has surrendered such stockholder's outstanding certificate(s), together with the properly completed and executed letter of transmittal, to the exchange agent. Any Old Shares submitted for transfer, whether pursuant to a sale, other disposition or otherwise, will automatically be exchanged for New Shares.

Stockholders should not destroy any stock certificates and should not submit any certificates until requested to do so.

The Board of Directors has Total Discretion to Proceed or Abandon the Reverse Split

At any time prior to the effectiveness of the filing of the Amendment with the Secretary of State of Delaware, notwithstanding authorization of the Amendment by the stockholders, the Board of Directors may abandon the Reverse Split without further action by the stockholders.

Material U.S. Federal Income Tax Consequences of the Reverse Split

The following discussion is a general summary of the material U.S. federal income tax consequences of the Reverse Split to a current stockholder of the Company that is a "United States person," as defined in the Internal Revenue Code of 1986, as amended (the "Code") (sometimes referred to herein as a "U.S. stockholder"), and who holds (and who will continue to hold following the Reverse Split) stock of the Company as a "capital asset," as defined in Section 1221 of the Code. This discussion does not purport to be a complete analysis of all of the potential tax effects of the Reverse Split. Tax considerations applicable to a particular stockholder will depend on that stockholder's individual circumstances. The discussion does not address the tax consequences that may be relevant to particular categories of stockholders subject to special treatment under certain U.S. federal income tax laws (such as dealers in securities or currencies, banks, insurance companies, tax-exempt organizations, financial institutions, broker-dealers, mutual funds, regulated investment companies, real estate investment companies, real estate mortgage investment conduits, retirement plans, individual retirement accounts or other tax-deferred accounts, and foreign individuals and entities). The discussion also does not address any tax consequences arising under U.S. federal non-income tax laws, such as gift or estate tax laws, or the laws of any state, local or foreign jurisdiction. In addition, the discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold stock of the Company through such entities.

The following discussion is based upon the Code, U.S. Treasury Department regulations promulgated thereunder, published rulings of the Internal Revenue Service (the "IRS") and judicial decisions now in effect, all of which are subject to change or to varying interpretation at any time. Any such changes or varying interpretations may also be applied retroactively. The following discussion has no binding effect on the IRS or the courts.

Subject to the discussion below concerning the treatment of the receipt of cash payments instead of the receipt of a fractional New Share, no gain or loss should be recognized by a U.S. stockholder upon such stockholder's deemed exchange of Old Shares for New Shares pursuant to the Reverse Split. Stockholders who receive a cash payment in lieu of a fractional New Share will be deemed for tax purposes as having first received the fractional New Share and then as having such fractional share redeemed by the Company for cash. The aggregate tax basis of the New Shares received in the Reverse Split (including any fractional New Share deemed to have been received and then redeemed) should be the same as such stockholder's aggregate tax basis in the Old Shares being exchanged, and the holding period of the New Shares (including any fractional New Share deemed to have been received and then redeemed) should include the holding period of such stockholder in the Old Shares. If a stockholder acquired Old Shares on

different dates or at different prices, the stockholder will need to determine the tax basis and holding period for each separate block of Old Shares.

The receipt of a cash payment instead of receipt of a fractional New Share will result in recognition of capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount of cash received and the holder's tax basis in his Old Shares that is allocated to such fractional share. Such gain or loss should be long term capital gain or loss if the holder's holding period exceeds one year at the effective date of the reverse split. The deductibility of any capital loss is subject to limitations.

The above description of tax consequences is necessarily general in nature and does not purport to be complete. Moreover, statutory provisions are subject to change (in some cases retroactively), as are their interpretations, and their application may vary in individual circumstances. Finally, the consequences under applicable state and local income tax laws may not be the same as under federal income tax laws.

Dissenters' Rights of Appraisal

We are a Delaware corporation and are governed by the Delaware General Corporate law ("DGCL"). Holders of the Company's common stock do not have appraisal or dissenter's rights under the DGCL in connection with the Reverse Split or the filing of the Amendment.

Interest of Certain Persons in Matters to be Acted Upon

No director, executive officer, associate of any director or executive officer or any other person has any substantial interest, direct or indirect, by security holdings or otherwise, in the Reverse Split that is not shared by all other stockholders of ours.

Our Board of Directors unanimously recommends that you vote "FOR" approval of the Reverse Split and the Amendment to our Certificate of Incorporation. (Proposal 5 on the enclosed proxy card).

PROPOSAL SIX - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board has selected Marcum LLP as the independent registered public accounting firm to perform the audit of the Company's financial statements for the year ending December 31, 2020. Marcum LLP has audited the Company's financial statements since May 2009.

The Board is asking the stockholders to ratify the selection of Marcum LLP as the Company's independent registered public accounting firm for 2020. Although not required by law or the Company's Amended and Restated Bylaws, the Board is submitting the selection of Marcum LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee may reconsider whether it should appoint another independent registered public accounting firm. Even if the selection is ratified, the Audit Committee, in its discretion, may select a different registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

Audit and Non-Audit Services

The Audit Committee is directly responsible for the appointment, compensation and oversight of the Company's independent auditor. The Audit Committee understands the need for Marcum LLP to maintain objectivity and independence in its audits of the Company's financial statements. The Audit Committee understands that Marcum LLP did not provide any non-audit services in 2019 or 2018.

The following table presents fees billed or expected to be billed for professional services rendered by the Company's independent registered public accountant for the years ended December 31, 2019, and 2018, and fees billed for other services rendered during those periods.

Year Ended December 31,

	<u>2019</u>		<u>2018</u>
Audit Fees (1)	\$88,700	\$	146,000
Audit Related Fees (2)	-		-
Tax Fees (3)	-		-
All Other Fees (4)	-		-

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- (1) Audit fees were principally for audit work performed on our annual financial statements and review of our interim financial statements.
 - (2) There were no "audit-related services" during the period.
 - (3) There were no "tax services" during the period.
 - (4) There were no "other services" during the period.

Pre-Approval Policies and Procedures

To help ensure the independence of our independent registered public accounting firm, all audit and permitted non-audit services, including the fees and terms thereof, to be performed by our independent registered public accounting firm must be approved in advance by the Audit Committee, except that the Audit Committee may delegate to one or more of its members the authority to grant the required approvals.

Independence Issues

There are no officers or directors of the Company that have a direct or indirect substantial interest in the proposal to ratify the appointment of the Company's independent registered accounting firm for the year ending December 31, 2020.

The Board of Directors recommends that stockholders vote "FOR" the ratification of the appointment of Marcum LLP as the Company's independent registered public accounting firm for the year ending December 31, 2020. (Proposal 6 on the enclosed proxy card).

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth certain information regarding the ownership of our common stock and other classes of voting securities as of July 31, 2020 by (a) each current director or director nominee; (b) each executive officer; and (c) all of our current executive officers, directors and nominees as a group.

Name	Number of Shares Beneficially Owned (1)	Percentage of Shares Beneficially Owned (2)
Jack Britts (3)	546,909	1.1%
Joe Heimbrock (4)	9,340,160	16.0%
Sara Mannix	0	-
Joseph Peters (5)	849,463	1.7%
Tim Reilly (6)	12,797,609	21.6%
Daniel Seliga (7)	1,241,354	2.4%
All executive officers, directors and nominees as a group	24,775,495	36.5%

- (1) This table is based upon information supplied by officers, directors and nominees. Unless otherwise indicated, this table includes shares owned by a spouse, minor children and relatives sharing the same home, as well as the entities owned or controlled by the named person. This table also includes shares if the named person has the right to acquire those shares within 60 days after July 31, 2020, by the exercise of any warrant, stock option, or other right. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, we believe that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.
- (2) Applicable percentages are based on 50,863,259 shares of common stock outstanding on July 31, 2020, adjusted as required by rules promulgated by the SEC. There were 517,359 shares of Series B Preferred Stock outstanding on July 31, 2020, which shares are convertible into 7,346,498 shares of common stock, based on a conversion factor of 14.2. The shares of common stock and shares underlying convertible preferred stock, and stock options or warrants are deemed outstanding for purposes of computing the percentage of the person holding such convertible preferred stock, and/or stock options or warrants, but are not deemed outstanding for the purpose of computing the percentage of any person.
- (3) Includes options to purchase 100,695 shares of common stock.
- (4) Consists of (i) 1,702,664 shares of common stock, (ii) option to purchase 131,423 shares of common stock, (iii) 494,913 shares of Series B Preferred Stock convertible into 7,027,765 shares of common stock, and (iv) a warrant to purchase 478,308 shares of common stock. The shares of common stock and options are owned by Joe Heimbrock individually and the shares of Series B Preferred Stock and warrants are owned by MVI Partners, LLC, an Ohio limited liability company (“MVI”). Mr. Heimbrock serves as a managing member of MVI and thus may be deemed to possess shared voting and dispositive power over the shares of Series B Preferred Stock. The address of Mr. Heimbrock and MVI is 3299 Hughes Court, Taylor Mill, Kentucky 41015.
- (5) Includes options to purchase 566,000 shares of common stock.

- (6) Consists of (i) 4,363,580 shares of common stock. Mr. Reilly owns 1,536,226 shares directly. The remaining shares are owned by Melrose Capital Advisors, LLC, an Ohio limited liability company (“Melrose”), which owns 573,826 shares and Dellave Holdings LLC, an Ohio limited liability company (“Dellave”), which owns 2,253,528 shares, (ii) options to purchase 100,695 shares of common stock, and (iii) a \$1.0 million promissory note convertible into 8,333,334 shares of common stock. Mr. Reilly serves as the managing member of Melrose and Dellave, and thus may be deemed to possess shared voting and dispositive power over the shares of common stock owned by Melrose and Dellave. The address of Mr. Reilly, Melrose and Dellave is 1085 Gulf of Mexico Drive, Longboat Key, FL 34228.
- (5) Includes options to purchase 200,000 shares of common stock.

STOCKHOLDER PROPOSALS FOR 2020 ANNUAL MEETING

Stockholder proposals intended for consideration at next year's annual meeting must be directed to the Corporate Secretary, HealthWarehouse.com, Inc., 7107 Industrial Road, Florence, Kentucky 41042 and must be received between June 14, 2021 and July 14, 2021 and must comply with the informational requirements of our Amended and Restated Bylaws.

ANNUAL REPORT

A copy of the Company's 2019 Annual Report., which includes the audited financial statement of the Company for 2019 and 2018, is available in the Investor Relations section of our website at www.healthwarehouse.com or at www.otcmarkets.com and www.proxyvote.com. Such annual report is not part of the proxy solicitation materials.

OTHER BUSINESS

Management is not aware of any business that may properly come before the Annual Meeting other than those matters described above in this proxy statement. However, if any other matters should properly come before the Annual Meeting, it is intended that the proxies solicited hereby will be voted with respect to those other matters in accordance with the judgment of the persons voting the proxies.