

**POLICY REGARDING
ACCOUNTING, AUDITING AND
OTHER ETHICAL AND
REGULATORY MATTERS**

2019

purple

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**POLICY REGARDING ACCOUNTING, AUDITING AND OTHER ETHICAL
OR REGULATORY MATTERS
Adopted Effective as of: April 4, 2018**

This policy applies to all officers, directors, and employees of Purple Innovation, Inc. and its subsidiaries (collectively “Purple”) and supersedes all previous policies regarding the subject matter contained within this policy. Notwithstanding the above statement, to the extent of any inconsistency Purple’s Code of Ethics supersedes this Policy.

I. GENERAL

Purple Innovation, Inc. is committed to the honest and accurate reporting of its financial results and related information in compliance with all applicable securities laws and regulations, accounting standards, accounting controls, audit practices, and business ethics. In furtherance of this commitment, Purple has adopted this Policy Regarding Accounting, Auditing, and Other Ethical or Regulatory Matters (the “**Policy**”) to encourage the confidential and, if desired, anonymous submission by its employees of any concerns they may have regarding questionable accounting, auditing, or other ethical matters, and to facilitate the receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls or auditing matters. Purple’s Audit Committee oversees the treatment of employee concerns in this area.

In order to ensure Purple’s financial and business integrity, Purple will not tolerate any:

- Accounting, reporting, or communication of Purple’s financial statements and related information that is conducted in an unethical manner or that does not comply with generally accepted accounting and professional standards;
- Reporting or communication of Purple’s financial statements and related information that does not fairly present in all material respects Purple’s financial condition and results of operations or that is not made in a full, fair, accurate, timely, and understandable way;
- Fraud or deliberate error in the preparation, evaluation, review, or audit of any of Purple’s financial statements, or in the recording and maintaining of Purple’s financial records;
- Intentional neglect or circumvention of controls resulting in significant deficiencies or material weaknesses in Purple’s internal controls over financial reporting;
- Untrue statements of material facts or omissions of material facts in Purple’s financial records, financial reports, or audit reports that would render any portion of those records or reports misleading;
- Behavior that could constitute securities fraud, mail fraud, bank fraud, or fraud by wire, radio, or television communication; or
- Behavior that violates or is intended to violate any rule or regulation of the Securities and Exchange Commission, or any provision of applicable federal or state law relating to fraud against shareholders.
- Unethical business practices that puts Purple at risk of violation of any federal, state or foreign jurisdiction’s laws or regulations, including, but not limited to the Foreign Corrupt Practices Act.

II. COMPLAINT PROCEDURES

If an employee believes that a violation of this Policy has occurred or has a concern regarding questionable accounting, auditing, or other ethical matters, that employee should immediately report the suspected violation or concern, anonymously if desired, by sending an e-mail to the Audit Committee Chairman, calling the Audit Committee Chairman, or utilizing the Company's ethics hotline, all as identified below.

It is not sufficient to report a suspected violation of this Policy to a co-worker or to any person other than as designated above.

External Complaints

This Policy also provides for the receipt, retention, and treatment of complaints from nonemployees and other third-parties regarding accounting, internal accounting controls, auditing, or other ethical matters. Any such complaints from non-employees or other third-parties must be submitted in writing to Purple's Chief Financial Officer or Chief Legal Officer.

Investigation and Treatment of Complaints

Upon receipt of a complaint under this Policy, Purple's Audit Committee, or an appropriate person designated by Purple's Audit Committee, will investigate the complaint and will involve agencies and resources outside Purple if, and/or when, such outside involvement appears advisable or necessary. The report and investigation will be kept confidential to the extent consistent with the need for a thorough investigation and response and taking into consideration Purple's disclosure obligations and requirements under law.

Employees who choose to identify themselves in submitting a complaint under this Policy should expect to receive some response to the complaint within two (2) weeks after the complaint was made, or as soon thereafter as practicable. If it is determined that an officer or employee of Purple has violated this Policy, Purple will take prompt and appropriate corrective action, including, but not limited to, disciplinary action, up to and possibly including immediate termination of employment.

If it is determined that a non-employee (including any director, contractor, subcontractor, or other agent) has violated this Policy, Purple will take prompt and appropriate corrective action, which could include severing the director, contractor, subcontractor, or agency relationship. In either event, Purple will take necessary corrective action reasonably calculated to address and to correct the alleged violation.

Retention of Complaints

The Chair of Purple's Audit Committee will retain a log of all complaints, tracking their receipt, investigation and resolution. A copy of each complaint and its log will be maintained in a file in a secure location to protect the confidentiality of the complaints.

Any and all complaints and related information received under this Policy will be retained in accordance with Purple's document retention policies for a period of 7 years from the date of the complaint, or for such longer period of time as may be required by law.

III. NON-RETALIATION

Purple is committed to maintaining an environment in which its employees can feel free to report all suspected incidents of inaccurate financial reporting or fraud. Purple also expects all employees to fully cooperate in internal investigations of complaints under this Policy. Purple will not allow reprisal or retaliation of any kind against any person who acts in good faith in reporting any conduct which they reasonably believe may violate this Policy, or against any person who in good faith assists, provides information, or participates in an investigation, proceeding, or hearing relating to a complaint about Purple's auditing or financial disclosures, or who files, causes to be filed, testifies, participates, or otherwise assists in such a proceeding against Purple.

IV. ANNUAL REVIEW AND REPORTING

The Chair of Purple's Audit Committee will prepare a quarterly summary report to the Audit Committee regarding the complaints received, their investigation and their resolution.

Contact Names and Addresses (as of April 29, 2019)

Position	Name, Address, Phone Number and E-mail
Interim Chief Financial Officer	Craig Phillips 123 E. 200 N. Alpine, Utah 84004 (801) 756-2600 Mark.W@purple.com
Chief Legal Officer	Casey McGarvey 123 E. 200 N. Alpine, Utah 84004 (801) 756-2600 Casey@purple.com
Audit Committee Chair	Gary T. DiCamillo (781) 864-3840 gdicamillo@globalpartnerac.com
Ethics Hotline	(866) 873-5200 Purple.ethicaladvocate.com