

## **Medbox, Inc.**

### **Related Person Transaction Policy**

#### **A. Policy Statement**

The Audit Committee (the “Committee”) of Medbox, Inc. (the “Company”) is responsible for reviewing related person transactions for potential conflicts of interest. This policy sets forth the procedures and standards the Committee will apply to reviewing and approving related person transactions.

It is the Company’s policy to enter into or ratify Related Person Transactions only when the Board of Directors, acting through the Committee, determines that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the Company and its stockholders.

#### **B. Related Person Transactions**

For the purposes of this Policy, a “Related Person Transaction” is:

- any transaction that is required to be disclosed pursuant to Item 404(a) of Regulation S-K under the Securities Exchange Act of 1934 (the “Exchange Act”); and
- any other transaction with the Company in which an executive officer or director has a direct or indirect material financial interest;

provided, the following transactions will not be deemed “Related Person Transactions” for purposes of this policy:

- compensation approved by the Compensation Committee of the Board of Directors;
- transactions where the Related Person’s interest arises solely from the ownership of the Company’s common stock and all holders of the Company’s common stock received the same benefit on a pro rata basis (e.g. dividends); and
- transactions involving less than \$10,000 when aggregated with all similar transactions.

#### **C. Procedures**

The Committee shall review the material facts of all Related Person Transactions that require the Committee’s approval and either approve or disapprove of the entry into the Related Person Transaction. If advance Committee approval of a Related Person Transaction is not feasible, then the Related Person Transaction shall be considered and, if the Committee determines it to be appropriate, ratified at the Committee’s next regularly scheduled meeting. In determining whether to approve or ratify a Related Person Transaction, the Committee will take into account, among other factors it deems appropriate, whether the Related Person Transaction is on terms comparable to those available from an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person’s interest in the transaction.

**D. Disclosure**

All Related Party Transactions shall be disclosed in the Company's Securities and Exchange Commission filings to the extent required by applicable law.

Adopted Effective August 6, 2014

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Secretary, Medbox, Inc.