
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 7, 2021**

CARDAX, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

333-181719

(Commission
File Number)

45-4484428

(IRS Employer
Identification No.)

2800 Woodlawn Drive, Suite 129, Honolulu, Hawaii 96822

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(808) 457-1400**

Not applicable

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: **None**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On January 11, 2021, Cardax, Inc., a Delaware corporation (the "Company"), entered into a Series A Preferred Stock Purchase Agreement with US Capital Global Cardax Preferred, LLC, a Delaware limited liability company (the "Purchaser"), related to a private placement (the "Offering") of the Company's Series A Preferred Stock, par value \$0.001 per share (the "Series A Preferred Stock").

The Offering is for an aggregate amount of up to \$10,000,000, or such other amount as may be determined by the Company and the Purchaser, with a purchase price of \$25.00 per share of Series A Preferred Stock. The Offering may have more than closing and had an initial closing of \$50,000.00 for 2,000 shares of Series A Preferred Stock on January 11, 2021.

The Purchaser is a pooled investment vehicle formed for the purpose of investing in the Series A Preferred Stock and in which units of limited liability company interests of the Purchaser are offered only to accredited investors in a private placement being made in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, pursuant to Rule 506(c) of Regulation D promulgated thereunder, with US Capital Global Securities, LLC ("USCGS"), a registered broker-dealer engaged by the Company, serving as placement agent. The Purchaser is managed by US Capital Global Investment Management, LLC, an affiliate of USCGS.

The Purchase Agreement includes customary representations, warranties, and other terms and conditions.

The foregoing description of the Purchase Agreement is a summary only, is not intended to be complete, and is qualified in its entirety by reference to the full text of the form of the Purchase Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated into this Item 3.02 by reference.

ITEM 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR

On January 7, 2021, the Company filed a Certificate of Designation of Series A Preferred Stock (the "Certificate of Designation") with the Secretary of State of the State of Delaware, in accordance with the Company's Amended and Restated Certificate of Incorporation, to establish and fix the number of shares to be included in a new series of

preferred stock of the Company and the designation, rights, preferences, and limitations of the shares of such new series as summarized below:

- The new series of preferred stock is designated as Series A Preferred Stock, par value \$0.001 per share (the “Series A Preferred Stock”).
- The number of shares of Series A Preferred Stock so designated is Four Hundred Thousand (400,000).
- The Series A Preferred Stock shall have a stated value equal to \$25.00 per share (the “Series A Original Issue Price”).
- The Series A Preferred Stock will, with respect to rights to receive dividends and to participate in distributions or payments upon liquidation, dissolution, or winding up of the Company, rank senior to the Company’s common stock, par value \$0.001 (the “Common Stock”).
- The Series A Preferred Stock shall accrue a dividend at the rate of eight percent (8%) per annum.
- The holders of Series A Preferred Stock shall not have any voting rights, except as provided by law or in accordance with certain provisions of the Certificate of Designation.
- Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, from and after October 15, 2022, into such number of shares of Common Stock as is determined by dividing the Series A Original Issue Price plus accrued and unpaid dividends by the conversion price of \$5.00 per share, which is subject to adjustment as provided in the Certificate of Designation.
- All outstanding shares of Series A Preferred Stock shall be automatically converted into shares of Common Stock, at the then effective conversion price, in the event any securities of the Company are listed for trading on any national exchange, including the Nasdaq Stock Market’s Capital Market or the New York Stock Exchange.
- Any or all of the outstanding shares of Series A Preferred Stock may be redeemed by the Company at any time after October 15, 2023, at a price per share equal to the Series A Original Issue Price plus accrued and unpaid dividends.

The Certificate of Designation was effective as of the date of filing.

The foregoing description of the Certificate of Designation is a summary only, is not intended to be complete, and is qualified in its entirety by reference to the full text of the Certificate of Designation, which is filed as Exhibit 5.1 to this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
5.1	<u>Certificate of Designation of Series A Preferred Stock of Cardax, Inc.</u>
10.1	<u>Form of Series A Preferred Stock Purchase Agreement by and among Cardax, Inc. and US Capital Global Cardax Preferred, LLC</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 13, 2021

CARDAX, INC.

By: /s/ David G. Watumull
David G. Watumull
Chief Executive Officer and President

CARDAX, INC.

**CERTIFICATE OF DESIGNATION OF
SERIES A PREFERRED STOCK**

Pursuant to Section 151 of the General Corporation Law of the State of Delaware, CARDAX, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Section 103 thereof, does hereby submit the following:

WHEREAS, the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") authorizes the issuance of up to 50 million shares of preferred stock, par value \$0.001 per share, of the Corporation ("Preferred Stock") in one or more series, and expressly authorizes the Board of Directors of the Corporation (the "Board"), subject to limitations prescribed by law, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock, and, with respect to each such series, to establish and fix the number of shares to be included in any series of Preferred Stock and the designation, rights, preferences, powers, restrictions and limitations of the shares of such series; and

WHEREAS, it is the desire of the Board to establish and fix the number of shares to be included in a new series of Preferred Stock and the designation, rights, preferences and limitations of the shares of such new series.

NOW, THEREFORE, BE IT RESOLVED, that the Board does hereby provide for the issue of a series of Preferred Stock and does hereby in this Certificate of Designation (the "Certificate of Designation") establish and fix and herein state and express the designation, rights, preferences, powers, restrictions and limitations of such series of Preferred Stock as follows:

1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

(a) "Business Day" means any day except any Saturday, any Sunday, any day which a federal legal holiday in the United States or on which banking institutions in the State of New York any day is are authorized or required by law or other governmental action to close.

(b) "Common Stock" means the Corporation's common stock, par value \$0.001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed.

(c) "Deemed Liquidation Event" means any of the following with respect to the Corporation:

(i) the acquisition by any Person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of the Corporation entitling that person to exercise more than fifty percent (50%) of the total voting power of all voting equity interests issued by the Corporation that are entitled to vote generally in elections of directors (except that such Person will be deemed to have beneficial ownership of all securities that such Person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition);

(ii) any consolidation or merger in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such consolidation or merger except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(iii) the sale, lease, transfer or other disposition (but not a consolidation or merger described in clause (ii) of this definition), in a single transaction or series of related transactions, of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, except where such sale, lease, transfer or other disposition is to a wholly-owned subsidiary of the Corporation.

(d) "Holder" means a holder of issued and outstanding shares of Series A Preferred Stock.

(e) "Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

(f) "Requisite Holders" means Holders of at least two-thirds of the issued and outstanding shares of Series A Preferred Stock.

(g) "Series A Original Issue Date" of any share of Series A Preferred Stock means the date on which such share of the Series A Preferred Stock was issued.

(h) "Series A Original Issue Price" means \$25.00 per share.

2. Designation, Amount and Par Value. The series of preferred stock shall be designated as Series A Preferred Stock, par value \$0.001 per share (the "Series A Preferred Stock"), and the number of shares so designated shall be Four Hundred Thousand (400,000). Each share of Series A Preferred Stock shall have a stated value equal to the Series A Original Issue Price.

3. Ranking. The Series A Preferred Stock will, with respect to rights to receive dividends and to participate in distributions or payments upon liquidation, dissolution or winding up of the Corporation, rank senior to the Common Stock.

4. Dividends.

(a) Series A Preferred Dividends. The Holders shall be entitled to receive, when, as and if declared by the Board of Directors, out of any funds and assets legally available therefor, dividends at the rate of eight percent (8%) per annum of the Series A Original Issue Price for each share of Series A Preferred Stock, prior and in preference to any declaration or payment of any other dividend payable to the holders of the Common Stock (other than dividends on shares of Common Stock payable in shares of

Common Stock). The right to receive dividends on shares of Series A Preferred Stock pursuant to the preceding sentence of this Section 4(a) shall be cumulative, and the right to dividends shall accrue to holders of Series A Preferred Stock regardless of whether dividends on said shares are declared.

(b) Dividends in General. The Corporation shall not declare, pay or set aside any dividends on shares of Common Stock unless the Holders shall first receive, or simultaneously receive, in addition to the dividends payable pursuant to Section 4(a), a dividend on each outstanding share of Series A Preferred Stock in an amount that would be paid as if all such securities had been converted to Common Stock immediately prior to the record date for such Common Stock dividend..

(c) Delivery of Dividends. All dividends and distributions on account of the Series A Preferred Stock shall, unless otherwise determined by the Board, be in lawful money of the United States of America to each Holder in whose name the Series A Preferred Stock is registered as set forth on the books and records of the Corporation. Such payments shall be made by wire transfer of immediately available funds to the account such Holder may from time to time designate by written notice to the Corporation or by Corporation cashier's check, without any deduction, withholding or offset for any reason whatsoever except to the extent required by law.

(d) Additional Provisions. Except as otherwise permitted with the consent of the Requisite Holders, any dividend payment made on the Series A Preferred Stock shall first be credited against the earliest accrued but unpaid dividend due with respect to such shares which remains payable.

5. Liquidation.

(a) Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Holders shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, or in the event of a Deemed Liquidation Event, unless the Requisite Holders elect that a transaction is not a Deemed Liquidation Event, out of the consideration payable to stockholders in such Deemed Liquidation Event or out of the Available Proceeds (as defined below), as applicable, an amount per share equal to the Series A Original Issue Price plus any dividends declared but unpaid thereon or accrued pursuant to Section 4(a) above but unpaid ("Accrued Dividends") before any payment shall be made to the holders of Common Stock by reason of their ownership thereof with rights to such assets. If upon any such Liquidation Event or Deemed Liquidation Event, the assets of the Corporation that are available for distribution to its stockholders holding the Series A Preferred Stock shall be insufficient to pay the Holders the full amount to which they shall be entitled under this Section 5 of this Certificate of Designation, the Holders shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

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(b) Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all amounts required to be paid to the holders of shares of Series A Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the Holders pursuant to Section 5(a) or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of the shares of stock in the Corporation, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock immediately prior to such liquidation, dissolution or winding up of the Corporation. The aggregate amount which a holder of a share of Series A Preferred Stock is entitled to receive under Sections 5(a) and 5(b) is hereinafter referred to as the "Liquidation Amount."

(c) Liquidation Notice. The Corporation shall provide written notice of any Liquidation Event or Deemed Liquidation event promptly to each Holder, and not less than fifteen (15) days prior to the payment date stated therein.

6. Voting Rights.

(a) Reserved Rights. For as long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote of the Requisite Holders, take any of the following actions:

- (i) change adversely the powers, preferences or rights given to the Series A Preferred Stock or alter, change, amend, repeal, or replace the Corporation's certificate of incorporation, this Certificate of Designation, the bylaws, or any similar document of the Corporation, including by way of a merger, consolidation, or otherwise in which the Corporation may or may not be the surviving entity, in a manner that is materially adverse to the Holders of the Series A Preferred Stock;
- (ii) authorize, create, or increase the authorized or issued amount of any class or series of capital stock or security convertible into or representing a right to purchase securities or convert any authorized capital stock into securities ranking senior to the Series A Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up;
- (iii) enter into any agreement with respect to any of the foregoing; or
- (iv) enter into any agreement, amend or modify any existing agreement or obligation, or issue any security that prohibits, conflicts or is inconsistent with, or would be breached by, the Corporation's performance of its obligations hereunder.

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(b) Other Voting Rights.

- (i) Except as provided by law or by the other provisions of this Certificate of Designation, the Holders shall not have any other voting rights.
- (ii) Notwithstanding any provision of this Certificate of Designation to the contrary, no Holder shall, on account of such Holder's shares of Series A Preferred Stock, be entitled to vote with respect to any sale, disposition or investment in any asset that is not a security issued by the Corporation.

7. Optional Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights") from and after October 15, 2022:

(a) Right to Convert.

- (i) Conversion Ratio. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series A Original Issue Price plus the amount of unpaid Accrued Dividends as of the Conversion Time (as defined below) that will not be paid in cash in accordance with the provisions of Section 7(c)(i)(4)(B) by the Conversion Price (as defined below) in effect at the time of conversion. The "Conversion Price" applicable to the Series A Preferred Stock shall initially be equal to \$5.00. Such initial Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

- (ii) Termination of Conversion Rights. In the event of a notice of redemption of any shares of Series A Preferred Stock pursuant to Section 8 below, the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the redemption price is not fully paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to Holders; provided that the foregoing termination of Conversion Rights shall not affect the amount(s) otherwise paid or payable in accordance with Section 5(a) to Holders pursuant to such liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event.

(b) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which a Holder would otherwise be entitled, the number of shares of Common Stock to be issued upon conversion of the Series A Preferred Stock shall be rounded to the nearest whole share.

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(c) Mechanics of Conversion.

(i) Notice of Conversion.

- (1) In order for a Holder to voluntarily convert shares of Series A Preferred Stock into shares of Common Stock, such holder shall (A) provide written notice to the Corporation at the principal office of the Corporation that such holder elects to convert all or any number of such holder's shares of Series A Preferred Stock and, if applicable, any event on which such conversion is contingent and (B) surrender the certificate or certificates for such shares of Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate, which agreement may require the indemnification by a third party) at the principal office of the Corporation. Such notice shall state such Holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued.
- (2) If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the Holder or his, her or its attorney duly authorized in writing.
- (3) The close of business on the date of receipt by the Corporation of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "Conversion Time"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date.
- (4) The Corporation shall, as soon as practicable after the Conversion Time (A) issue and deliver to such holder of Series A Preferred Stock, or to his, her or its permitted nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Series A Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and (B) pay all declared but unpaid dividends on the shares of Series A Preferred Stock converted. Such certificate shall have such legends as reasonably required by the Corporation.

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- (5) If requested by the holder (the "Conversion Holder") of the shares of the Series A Preferred Stock that is subject to such conversion, the Company shall cause the shares of the Common Stock to be issued upon such conversion ("Conversion Shares") to be transmitted by the Transfer Agent to the Conversion Holder by crediting the account of the Conversion Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Conversion Shares to or resale of the Conversion Shares by the Conversion Holder or (B) the Corporation receives a legal opinion that is acceptable to the Corporation that such Conversion Shares may be traded in a public exchange or market without restriction under Rule 144 or otherwise.
- (ii) Reservation of Shares. The Corporation shall at all times when shares of the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval.
- (iii) Effect of Conversion. All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon.
- (iv) No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.
- (v) Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 7 and that are payable to a government, it being acknowledged that such taxes do not include fees payable to any exchange, transfer agent, stock record agent, the DTC or any similar person. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

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(d) Adjustments to Conversion Price for Dilution.

- (i) Special Definitions. For purposes of this Section 7, the following definitions shall apply:
- (1) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Section 7(d)(iii) below, deemed to be issued) by the Corporation after the Series A Original Issue Date, other than (a) the following shares of Common Stock and (b) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (a) and (b), collectively, "Exempted Securities"):
 - (A) as to the Series A Preferred Stock, shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on such stock;
 - (B) shares of Common Stock, Options or Convertible Securities issued pursuant to 7(e);
 - (C) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation;
 - (D) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;
 - (E) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board;
 - (F) shares of Common Stock, Options or Convertible Securities issued to suppliers or third-party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board;
 - (G) shares of Common Stock, Options or Convertible Securities issued as acquisition consideration pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board; or
 - (H) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board.
- (2) "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options, in each case, other than Existing Securities.
 - (3) "Existing Securities" shall mean any security issued by the Corporation, including without limitation, any Option or right to purchase any Common Stock other security this has been or will be issued by the Corporation that have been granted or are outstanding as on or prior to the first Series A Original Issue Date .
 - (4) "Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.
- (ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the Requisite Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.
- (iii) Deemed Issue of Additional Shares of Common Stock.
- (1) If the Corporation at any time or from time to time after the Series A Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

- (2) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price pursuant to the terms of Section 7(d)(iv), are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this Section 7(d) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.
- (3) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price pursuant to the terms of Section 7(d)(iv) (either because the consideration per share (determined pursuant to Section 7(d)(v)) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series A Original Issue Date), are revised after the Series A Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Section 7(d)(iii)(1)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

- (4) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Section 7(d)(iv), the Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.
- (5) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price provided for in this Section 7(d)(iii) shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (2) and (3) of this Section 7(d)(iii)). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price that would result under the terms of this Section 7(d)(iii) at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

- (iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 7(d)(iii)), without consideration or for a consideration per share less than the Conversion Price in effect immediately prior to such issuance or deemed issuance, then the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

- (1) "CP₂" shall mean the Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock;
 - (2) "CP₁" shall mean the Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;
 - (3) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Series A Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);
 - (4) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CP₁ (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP₁); and
 - (5) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.
- (v) Determination of Consideration. For purposes of this Section 7(d), the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

- (1) Cash and Property. Such consideration shall:
 - (A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
 - (B) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

- (C) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors of the Corporation
- (2) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 7(d)(iii), relating to Options and Convertible Securities, shall be determined by dividing:
 - (A) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.
 - (B)

- (vi) Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price pursuant to the terms of Section 7(d)(iv), then, upon the final such issuance, the Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

Notwithstanding any provision of this Certificate of Designation that may be interpreted to the contrary, the Conversion Price shall at no time be less than the par value of a share of Common Stock.

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(e) Adjustment for Merger or Reorganization, etc. If there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Section 7(d)), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one (1) share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 7 with respect to the rights and interests thereafter of the Holders, to the end that the provisions set forth in this Section 7 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

(f) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 7, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Holder a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any Holder (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

(g) Notice of Record Date. In the event:

- (i) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or
- (ii) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

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- (iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the Holders a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

8. Mandatory Conversion.

(a) Trigger Event. In the event that any securities of the Corporation are listed for trading on any national exchange, including the Nasdaq Stock Market's Capital Market or the New York Stock Exchange, then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Section 7(a)(i) and (ii) such shares may not be reissued by the Corporation.

(b) Procedural Requirements. All Holders shall be sent written notice of the time and place designated for mandatory conversion of all shares of Series A Preferred Stock pursuant to this Section 8. Such notice need not be sent in advance of the occurrence of the listing indicated in Section 8(a) above. Upon receipt of such notice, each Holder shall surrender his, her or its certificate or certificates for all shares of Series A Preferred Stock (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the time and place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock converted pursuant to Section 8(a), including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the time specified for mandatory conversion (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefore, to receive the items provided for in the next sentence of this Section 8(b). As soon as practicable after the time specified for mandatory conversion and the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay any declared but unpaid dividends on the shares of Series A Preferred Stock converted.

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9. Redemption.

(a) Redemption Generally. Unless prohibited by Delaware law governing distributions to stockholders, any or all of the outstanding shares of Series A Preferred Stock (the "Redemption Shares") may be redeemed by the Corporation at any time after October 15, 2023 at a price per share (the "Redemption Price") equal to the Series A Original Issue Price, plus Accrued Dividends on such shares through and including the date of such redemption (the "Redemption Date"). On each Redemption Date, the Corporation shall redeem, on a pro rata basis in accordance with the number of shares of Series A Preferred Stock owned by each Holder, the Redemption Shares.

(b) Redemption Notice. The Corporation shall send written notice of the redemption (the “Redemption Notice”) to each Holder not less than forty (40) days prior to each Redemption Date. Each Redemption Notice shall state:

- (i) the number of shares of Series A Preferred Stock held by the Holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice;
- (ii) the Redemption Date and the Redemption Price; and
- (iii) that the Holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Series A Preferred Stock to be redeemed.

(c) Surrender of Certificates; Payment. On or before the applicable Redemption Date, each Holder to be redeemed on such Redemption Date shall surrender the certificate or certificates representing such shares (or, if such registered Holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the Person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Series A Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Series A Preferred Stock shall promptly be issued to such Holder.

(d) Rights Subsequent to Redemption. If the Redemption Notice shall have been duly given, and if on the Redemption Date the Redemption Price payable upon redemption of the Redemption Shares is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that any certificates evidencing any of the shares of Series A Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Series A Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the Holders to receive the Redemption Price without interest upon surrender of any such certificate or certificates therefor.

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(e) The Corporation may effect any redemption provided in this Section 9 by purchasing such shares of Series A Preferred Stock or arranging for any other person to purchase such shares of Series A Preferred Stock and transferring such shares of Series A Preferred Stock for consideration of cash or property as agreed by such person and the Corporation, in which case the provisions of this Section 9 shall be interpreted *mutatis mutandis*.

10. Redeemed or Otherwise Acquired Shares.

Any shares of Series A Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold, or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the Holders following redemption.

11. Miscellaneous.

(a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service or delivered by electronic mail, addressed to the Corporation, at the principal address of the Corporation or such other facsimile number, e-mail address or address as the Corporation may specify for such purposes by notice to the Holders delivered in accordance with this Section 11(a) of this Certificate of Designation. Any and all notices or other communications or deliveries to be provided by the Corporation hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service or delivered by electronic mail addressed to each Holder at the facsimile number, e-mail address or address of such Holder appearing on the books of the Corporation, or if no such facsimile number or address appears on the books of the Corporation, at the principal place of business of such Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile prior to 5:30 p.m. (New York City time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile on a day that is not a Business Day or later than 5:30p.m. (New York City time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b) Absolute Obligation. Except as expressly provided herein, no provision of this Certificate of Designation shall alter or impair the obligation of the Corporation, which is absolute and unconditional, to pay liquidated damages and accrued dividends, as applicable, on the shares of Series A Preferred Stock at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Series A Preferred Stock Certificate. If a Holder's Series A Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Corporation shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Series A Preferred Stock so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Corporation.

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(d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Certificate of Designation shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to the principles of conflict of laws thereof.

(e) Amendments; Waiver. This Certificate of Designation may be amended, or any provision of this Certificate of Designation may be waived by the Corporation solely with the affirmative vote at a duly held meeting or written consent of the Requisite Holders. Any waiver by the Corporation or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders, except that a waiver by the Requisite Holders will constitute a waiver of all Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation on any other occasion. Any waiver by the Corporation or a Holder must be in writing.

(f) Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(g) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(h) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

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IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation by the undersigned on this 7th day of January, 2021.

CARDAX, INC.

By: /s/ David G. Watumull
Name: David G. Watumull
Title: Chief Executive Officer

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SERIES A PREFERRED STOCK PURCHASE AGREEMENT

This Series A Preferred Stock Purchase Agreement (this “**Agreement**”) is dated as of the date set forth on the signature page hereof, by Cardax, Inc., a Delaware corporation (the “**Company**”), and US Capital Global Cardax Preferred, LLC, a Delaware limited liability company (the “**Purchaser**”). Certain capitalized terms used in this Agreement are defined in Section 1.1.

WHEREAS, the Purchaser is a pooled investment vehicle that is advised by US Capital Global Investment Management, LLC, and in which units of limited liability company interests are offered only to accredited investors by the Purchaser in an offering in which US Capital Global Securities, LLC, an affiliate of the Purchaser and a registered broker-dealer is the private placement agent (the “**Broker Dealer**”);

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Purchaser desires to purchase from the Company, and the Company desires to sell to the Purchaser, in a private placement, shares of the Company’s Series A Preferred Stock, par value \$0.001 per share (the “**Preferred Stock**”), with the rights and preferences set forth in that certain Certificate of Designation of the Company (the “**Series A Certificate of Designation**”), the form of which is attached hereto as **Exhibit A**, in the amount set forth on the signature page hereof (the “**Shares**”);

WHEREAS, the purchase price for each Share (the “**Purchase Price**”) shall be \$25.00;

WHEREAS, the Shares shall be convertible into shares of the Company’s common stock, par value \$0.001 (the “**Common Stock**” and together with the Preferred Stock, the “**Securities**”) in accordance with the terms of the Preferred Stock;

WHEREAS, the private placement of the Preferred Stock to the Purchaser may have more than one closing and is in the aggregate amount of up to \$10,000,000 or such other amount as may be determined by the Company and the Purchaser (the “**Offering**”); provided, however, the Company reserves the right to suspend or terminate the Offering; and

WHEREAS, the Offering is being made in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), pursuant to Rule 506(c) of Regulation D promulgated thereunder or otherwise.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser, intending to be legally bound hereby, hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions.

In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

“**Affiliate**” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“**Business Day**” means any day except any Saturday, any Sunday, any day that is a federal legal holiday in the United States, or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“**Person**” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof), or other entity of any kind.

“**Purchase Amount**” means the aggregate amount to be paid for the Shares, which shall be equal to the number of Shares to be purchased multiplied by the Purchase Price.

“**Registration Statement**” means the registration statement filed by the Company with the Securities and Exchange Commission for the public offering of Common Stock and warrants to purchase Common Stock (registration no. 333-233281).

“**Short Sale**” means any securities transaction in which a Person sells a number of shares or other units of a security that are not owned by such Person at the time of such sale.

“**SEC**” means the United States Securities and Exchange Commission.

“**Trading Market**” means the OTCQB or any other markets or exchanges on which the Common Stock is listed or quoted for trading.

“**Transaction Documents**” means this Agreement and all exhibits and schedules hereto and any other documents or agreements executed in connection with the transaction contemplated hereunder.

ARTICLE II PURCHASE AND SALE

2.1 Closings.

(a) The Shares will be purchased and sold in one or more closings (each, a “**Closing**”) on such dates as mutually determined by the Company and the Purchaser. The number of Shares to be issued and sold at each Closing shall be the amount that is set forth in **Schedule A** (the “**Closing Schedule**”).

(b) Subject to the terms and conditions hereof, and in reliance on the representations, warranties, covenants, and other agreements hereinafter set forth, at each Closing of the transaction contemplated hereunder, the Purchaser hereby agrees to purchase from the Company, and the Company hereby agrees to issue and sell to the Purchaser, the Shares to be purchased and sold at each such Closing at the Purchase Price.

(c) Each Closing shall take place remotely via the exchange of documents and signatures, as soon as practicable following the date on which the last of the conditions set forth in Section 5 has been satisfied or waived (other than those conditions that by their nature can only be satisfied at the Closing), or at such other date and time as the Company and the Purchaser shall mutually agree (which date and time shall be designated as a “**Closing Date**”).

2.2 Deliveries.

(a) On each Closing Date, subject to the terms and conditions hereof, the Purchaser shall pay the Purchase Amount for such Closing in United States dollars by wire transfer of immediately available funds to the order of the Company in accordance with the instructions set forth on **Schedule B**.

(b) On each Closing Date, subject to the terms and conditions hereof, the Company shall deliver or cause to be delivered a certificate evidencing the Shares to the Purchaser at the address designated by the Purchaser.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company.

The Company hereby makes the following representations and warranties to the Purchaser as of the date hereof and as of each Closing Date, unless such representation or warranty is made as of a specific date therein, in which case such representation or warranty shall be true and correct as of such date:

(a) Organization; Authority.

(i) The Company is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware. The Company has all requisite corporate power and authority to own and operate its properties and assets, to execute and deliver the Transaction Documents, to issue and sell the Shares, and to carry out the provisions of the Transaction Documents. The Company’s wholly-owned subsidiary, Cardax Pharma, Inc., is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware and has all requisite power and authority to carry on its business to own and operate its properties and assets.

(ii) The execution and delivery of the Transaction Documents and performance by the Corporation of the transaction contemplated by the Transaction Documents have been duly authorized by all necessary corporate actions, as applicable, on the part of the Corporation.

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(iii) Each Transaction Document to which the Corporation is a party has been duly executed by the Corporation, and when delivered by the Corporation in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except: (1) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors’ rights generally; (2) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (3) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Capitalization. The capitalization of the Company is properly reflected in all material respects by the SEC Filings as of the date indicated in such filings.

(c) Issuance of Shares. The Shares to be issued at each Closing are duly authorized and, upon issuance in accordance with the terms hereof and payment by the Purchaser in accordance with the terms hereof, shall be duly issued, fully paid, and nonassessable, and are free and clear from all taxes, liens, and charges with respect to the issue thereof. With respect to the Shares sold at each Closing, the shares of Common Stock that will be issued upon the conversion of the Shares will have been duly authorized and reserved for issuance and, upon conversion of the Shares into shares of Common Stock, will be validly issued, fully paid, and nonassessable, and will be free and clear from all taxes, liens, and charges with respect to the issue thereof.

(d) Private Placement. Assuming the accuracy of the Purchaser’s representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Shares to the Purchaser as contemplated hereunder. The issuance and sale of the Shares hereunder does not contravene the rules and regulations of the Trading Market applicable to the Company.

(e) SEC Filings. The documents that have been filed by the Company with the SEC (the “**SEC Filings**”), as amended and supplemented, do not contain a material misstatement of fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, as interpreted by the Securities Exchange Act of 1934, as amended; provided, that this representation assumes that such SEC Filings are supplemented by all required disclosures for the purchase and sale of the Shares under the terms of this Agreement.

3.2 Representations and Warranties of the Purchaser.

The Purchaser hereby makes the following representations and warranties to the Company as of the date hereof and as of each Closing Date, except to the extent any such representation or warranty is specifically made as of a particular date, in which case it shall be true and correct as of such date:

(a) Organization; Authority.

(i) The Purchaser is a limited liability company that is duly formed, validly existing, and in good standing under the laws of the jurisdiction of its formation with all requisite power and authority to enter into and to consummate the transaction contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder.

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(ii) The execution and delivery of the Transaction Documents and performance by the Purchaser of the transaction contemplated by the Transaction Documents have been duly authorized by all necessary limited liability company actions, as applicable, on the part of the Purchaser.

(iii) Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except: (1) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors’ rights generally; (2) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (3) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. The Purchaser understands that the Securities are “restricted securities” and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling the Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or

any applicable state securities law and has no direct or indirect arrangement or understandings with any other person to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting the Purchaser's right to sell the Securities in compliance with applicable federal and state securities laws). The Purchaser is acquiring the Shares hereunder in the ordinary course of its business or investment strategy.

(c) Purchaser Status. At the time the Purchaser was offered the Shares, it was, and as of the date hereof and on each Closing Date, and on each date on that it converts any Shares, it will be an "accredited investor" as defined in Rule 501 under the Securities Act. The certificate that is delivered to the Company by the Broker Dealer at each Closing certifying that the Purchaser is an accredited investor is true and complete in all material respects.

(d) Experience of the Purchaser. The Purchaser, either alone or together with its representatives, has such knowledge, sophistication, and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. The Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) Certain Transactions and Confidentiality. Other than consummating the transaction contemplated hereunder, the Purchaser shall not directly or indirectly, execute any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of date of this Agreement and the date that is 10 days after the date that the Offering is terminated or expires. The Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction and has used such information only in consideration of making an investment in the Shares.

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(f) Disclosure.

(i) The Purchaser acknowledges and agrees that the information provided and available to the Purchaser at the time that this Agreement is executed and delivered (including, but not limited to the SEC Filings) (the "**Execution Date Information**") may not include all of the material information that would be provided to a purchaser of securities in an offering of securities that is registered under the Securities Act and included in a prospectus that is required to be delivered in accordance with Section 5 of the Securities Act. Additionally, the Purchaser acknowledges that it will not have the benefits of the disclosures and the civil remedies that flow from an offering registered under the Securities Act.

(ii) The Purchaser agrees that it has had an opportunity to conduct its due diligence on the investment and in connection therewith: (1) obtain additional information concerning investment in the Securities, including without limitation, information concerning the Company and any other matters relating directly or indirectly to the purchase of the Securities by the Purchaser; (2) ask questions of, and receive answers from, the executives of the Company concerning the terms and conditions of investment in the Securities and to obtain such additional information as may have been necessary to verify the accuracy of any information that may have been provided to the Purchaser; and (3) acknowledges that the only information the Purchaser relied upon is information or documentation that was provided expressly by the Company to the Purchaser for such purposes.

(iii) The Purchaser and/or Purchaser's advisor acknowledges that it has received and reviewed the SEC Filings, including the summary of certain material risks contained in the "Risk Factors" sections in such documents and **Schedule C** and certain matters regarding the use of proceeds set forth in Section 4.3 and had access to or been furnished with sufficient facts and information to evaluate an investment in the Company and a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the Company and all such questions have been answered to the full satisfaction of the Purchaser. The Purchaser acknowledges that in addition to the risks summarized in **Schedule C**, there is a risk that the public offering contemplated by the Registration Statement will not be consummated, that the Company may abandon the Registration Statement for any reason, including without limitation, market conditions or any decision by the lead underwriter described therein, which decision is in the sole and absolute discretion of such underwriter and further that the information in such Registration Statement is stale. The Purchaser acknowledges it would purchase the securities to be issued by the Company under this Agreement even if the Company does not complete the public offering described in the Registration Statement.

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(g) Solicitation. As of each Closing Date, the Purchaser has conducted its solicitation of investment of its limited liability company interests in compliance with Regulation D, Section 506(c), and each investor in the Purchaser is an accredited investor.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend, or affect the Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereunder.

ARTICLE IV OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of any of the Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of the Purchaser, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act.

(b) Legend on Share Certificates. The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the certificates representing the Securities in the following form:

NEITHER THESE SECURITIES NOR THE SECURITIES INTO WHICH THESE SECURITIES MAY BE CONVERTED HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

(c) The legends set forth in Section 4.1(b) shall, to the fullest extent permitted, be removed (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of the Securities pursuant to Rule 144, (iii) if the Securities are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to the Securities and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC).

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(d) The Purchaser agrees that it will sell any Securities only pursuant to either: (i) the registration requirements of the Securities Act, including any applicable prospectus delivery requirements; or (ii) an exemption therefrom, and that if the Securities are sold pursuant to any such effective registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing the Securities set forth in this Section 4.1 is predicated upon the Company's reliance upon this understanding.

4.2 Non-Public Information.

The Company may provide information to the Purchaser that the Company believes constitutes material non-public information. If the Company provides any such information, then the Company will identify such information, it being acknowledged that the transactions contemplated by this Agreement are material non-public information. The Purchaser shall not use such information in violation of applicable law or in a manner that would require the Company to furnish such information in a file with the SEC under Regulation FD.

4.3 Use of Proceeds.

The Company will use the proceeds from this transaction primarily for pharmaceutical development, working capital, and debt servicing.

4.4 Form D; Blue Sky Filings.

The Company shall take such action as the Company shall reasonably determine is necessary to obtain an exemption for, or to qualify the Shares for, sale to the Purchaser at each Closing under applicable securities or "Blue Sky" laws of the states of the United States.

4.5 Replacement of Certificates.

If any certificate or instrument evidencing the Securities is mutilated, lost, stolen, or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft, or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities and may be required to provide an indemnity in favor of the Company.

ARTICLE V CONDITIONS TO EACH CLOSING

5.1 Conditions to Company's Obligations at Each Closing.

The Company's obligation to complete the sale and issuance of the Shares and deliver the Shares to the Purchaser at each Closing, shall be subject to the following conditions to the extent not waived by the Company:

(a) Representations and Warranties. The representations and warranties made by the Purchaser in Section 3 shall be true and correct in all material respects as of the date hereof and as of the Closing Date for such Closing, except to the extent any such representation or warranty is specifically made as of a particular date, in which case it shall be true and correct as of such date.

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(b) Performance. The Purchaser shall have performed and complied in all material respects with all agreements and conditions herein required to be performed or complied with by the Purchaser on or before the Closing Date for such Closing.

(c) Receipt of Executed Documents. The Purchaser shall have executed and delivered to the Company each of the Transaction Documents that requires its signature on or prior to the Closing Date for such Closing.

(d) Receipt of Purchase Amount. The Purchaser shall have delivered the Purchase Amount to be delivered at such Closing to the Company pursuant to Section 2.2(a).

5.2 Conditions to Purchasers' Obligations at Closing.

The Purchaser's obligation to purchase the Shares at each Closing shall be subject to the following conditions to the extent not waived by the Purchaser:

(a) Representations and Warranties. The representations and warranties made by the Company in Section 3 shall be true and correct in all material respects as of the date hereof and as of the Closing Date for such Closing, except to the extent any such representation or warranty is specifically made as of a particular date, in which case it shall be true and correct as of such date.

(b) Performance. The Company shall have performed and complied in all material respects with all agreements and conditions herein required to be performed or complied with by the Company on or before the Closing Date for such Closing.

(c) Receipt of Executed Documents. The Company shall have executed and delivered to the Purchaser each of the Transaction Documents that requires its signature on or prior to the Closing Date for such Closing.

(d) Certificate of Designation. The Company shall have filed the Series A Certificate of Designation with the State of Delaware on or prior to the Closing Date for the first Closing.

(e) Judgements. No injunction or other order that declares this Agreement invalid or unenforceable in any respect or that prevents the consummation of the transaction contemplated hereunder shall be in effect.

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ARTICLE VI MISCELLANEOUS

6.1 Fees and Expenses.

(a) Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants, and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery, and performance of this Agreement.

(b) Entire Agreement. The Transaction Documents contain the entire understanding of the parties with respect to the subject matter thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits, and schedules.

(c) Notices.

(i) All notices (including any consent required of any party to the Transaction Documents) given or permitted to be provided pursuant to the Transaction Documents shall be in writing and shall be mailed by certified mail, delivered by professional courier or hand, or transmitted via email and addressed as follows:

If to the Company:

Cardax, Inc.
2800 Woodlawn Drive, Suite 129
Honolulu, HI 96822
Attention:
Email:

with a copy to (which will not constitute notice):

Wilson Williams LLC
43 West 43rd Street, Suite 130
New York, NY 10036
Attention:
Email:

If to the Purchaser:

US Capital Global Cardax Preferred, LLC
c/o US Capital Global Investment Management, LLC
555 Montgomery Street, Suite 1501
San Francisco, CA 94111
Attention:
Email:

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(ii) Change of Address. The Company may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Purchaser. The Purchaser may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Company. In each case, such corrected information shall be effective only upon delivery of such notice.

(iii) Deemed Delivery. Except as otherwise expressly provided in the Transaction Documents, each such notice shall be effective on the date three days after the date of mailing or, if delivered by hand or professional courier, or transmitted via email with delivery receipt (or acknowledgement or confirmation which may be by electronic means), on the date of delivery, provided, however, that notices to the Company will be effective upon receipt.

(d) Amendments; Waivers. No provision of the Transaction Documents may be waived, modified, supplemented or amended except by means of a written agreement signed, in the case of an amendment, by the Company and the Purchaser subject to such waiver, modification, supplement or amendment. No waiver of any default with respect to any provision, condition or requirement of the Transaction Documents shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement thereof, nor shall any delay or omission of any party to exercise any right thereunder in any manner impair the exercise of any such right.

(e) Headings. The headings in the Transaction Documents are for convenience only, do not constitute a part of the Transaction Documents and shall not be deemed to limit or affect any of the provisions thereof.

(f) Successors and Assigns. The Transaction Documents shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign the Transaction Documents or any rights or obligations thereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person; provided that such assignment is approved by the Company, which approval shall not be unreasonably withheld, delayed or conditioned and such transferee agrees in writing to be bound by the provisions of the Transaction Documents that apply to the "Purchaser" and such transferee is able and makes the representations and warranties to the Company provided under Section 3.2.

(g) Third-Party Beneficiaries. The Transaction Documents are intended for the benefit of the parties thereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision thereof be enforced by, any other Person.

(h) Governing Law. The Transaction Documents are to be construed in accordance with and governed by the laws of the State of New York, without giving effect to the conflict of laws principles thereof.

(i) Attorney Fees. If one or more parties shall commence an action, suit, or proceeding to enforce any provision of the Transaction Documents, then the prevailing party or parties in such action, suit, or proceeding shall be reimbursed by the other party or parties to such action, suit, or proceeding for the reasonable attorneys' fees and other costs and expenses incurred by the prevailing party or parties with the investigation, preparation, and prosecution of such action, suit, or proceeding.

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(j) Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities for the applicable statute of limitations.

(k) Counterparts and Execution. The Transaction Documents may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is created electronically or delivered by email transmission of a portable document format file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature was an original thereof.

(l) Severability. If any term, provision, covenant, or restriction of any Transaction Document is held by a court of competent jurisdiction to be invalid, illegal, void, or unenforceable, the remainder of the terms, provisions, covenants, and restrictions set forth therein shall remain in full force and effect and shall in no way be affected, impaired, or invalidated, and the parties thereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant, or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants, and restrictions without including any of such that may be hereafter declared invalid, illegal, void, or unenforceable.

(m) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

(n) Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto.

[signature page follows]

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IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective authorized signatory as of the last date indicated below.

PURCHASER:

US CAPITAL GLOBAL CARDAX PREFERRED, LLC

By: _____ Date: _____
By: **US Capital Global Investment Management, LLC**
Acting as the Manager and Sole Member of
US Capital Global Cardax Preferred, LLC

COMPANY:

CARDAX, INC.

By: _____ Date: _____
Name: _____
Title: _____

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SCHEDULE A

Shares to be Issued and Sold at the Closing Indicated Below

This schedule (this "**Closing Schedule**") is attached to the Series A Preferred Stock Purchase Agreement (the "**Agreement**"), dated as of _____, 2021. Capitalized terms used in this Closing Schedule that are not otherwise defined herein shall have the respective meanings ascribed to such terms as provided in the Agreement.

The Closing Date for this Closing is: _____

The number of Shares to be purchased and sold at this Closing are: _____

The purchase price per Share is: \$ 25.00

The aggregate purchase price payable by the Purchaser to the Company at this Closing is: \$ _____

Each of the Purchaser and the Company acknowledge and agree that the terms and conditions of the Agreement are ratified and confirmed as of the Closing Date set forth above.

PURCHASER:

US CAPITAL GLOBAL CARDAX PREFERRED, LLC

By: _____ Date: _____
By: **US Capital Global Investment Management, LLC**
Acting as the Manager and Sole Member of
US Capital Global Cardax Preferred, LLC

COMPANY:

CARDAX, INC.

By: _____ Date: _____
Name: _____
Title: _____

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SCHEDULE B

[provided separately]

SCHEDULE C

Certain Additional Risk Factors

In addition to the risk factors summarized in the Company's SEC Filings, you should consider the following:

An investment in the Securities involves a high degree of risk. You should carefully consider the material risks summarized in the Company's SEC Filings, together with all of the other information provided to you in this Agreement, before making an investment decision. If any of the following risks actually occur, our business, financial condition, or results of operations could suffer. In that case, the trading price of our shares of Common Stock could decline, and you may lose all or part of your investment. You should read the section entitled "Forward-Looking Statements" included in our SEC Filings for a discussion of what types of statements are forward-looking statements, as well as the significance of such statements.

The Stated Dividend of the Shares is not a Guarantee and may not be paid.

The terms of the Preferred Stock provide for an 8% annual dividend. Such dividend is not a guaranty and is paid only to the extent that the Company has sufficient earnings and profits. The Company does not expect to be able to make any such dividend payment. Accordingly, the dividend yield for the Preferred Stock is only a projection and we cannot assure you that if you purchase the Securities you will receive all or any of such dividend amount.

The terms of this transaction and the purchase price for the Securities were not independently valued and may not be indicative of the future price of Common Stock.

Our board of directors determined the terms and conditions of this transaction, including the purchase price of the Securities. The purchase price of the Securities was not necessarily determined to be equivalent to the market price of the Common Stock on the OTCQB or the fair value of the Company. If you purchase the Securities, you may not be able to sell any of the Securities at or above the purchase price. The trading price of the Common Stock will be determined by the marketplace and will be influenced by many factors outside of the Company's control, prevailing interest rates, investor perceptions, securities analyst research reports and general industry, geopolitical, and economic conditions. Publicly traded stocks, including stocks of pharmaceutical and nutraceutical companies, often experience substantial market price volatility. These market fluctuations might not be related to the operating performance of particular companies whose shares are traded. Accordingly, we cannot assure you that if you purchase the Securities you will later be able to sell any of the Securities at or above the purchase price.

The Securities are "Restricted Securities" under the Securities Act and there is no assurance they will be registered.

The Securities will be restricted securities under United States federal and applicable state securities laws. The Securities will be restricted securities unless and until the Securities are registered. Restricted securities may not be transferred, sold, or otherwise disposed of in the United States, except as permitted under United States federal and state securities laws, pursuant to registration or an exemption therefrom. You should be prepared to hold the Securities for an indefinite period.

The Securities may not be sold unless, at the time of such intended sale, there is a current registration statement covering the resale of the securities or there exists an exemption from registration under the Securities Act, and such securities have been registered, qualified, or deemed to be exempt under applicable securities or "blue sky" laws in the state of residence of the seller or in the state where sales are being effected.

If there is not an effective registration statement covering the resale of the Securities, you will be precluded from disposing of such shares unless such shares may become eligible to be disposed of under the exemptions provided by Rule 144 under the Securities Act without restriction. If the Securities are not registered for resale under the Securities Act, or exempt therefrom, and not registered or qualified under applicable securities or "blue sky" laws, or deemed exempt therefrom, the value of the Securities will be greatly reduced.

Insufficient Capital

There can be no assurance or guarantee that the Company will raise sufficient capital, through this transaction or otherwise, to meet the Company's business objectives or fund its operations. The audited financial statements of the Company include a going concern qualification and the Company has significant liquidity issues, including that described in the SEC Filings. There can be no assurance that other obligations that are necessary for the Company will not be incurred or that the budgeted expenditures will not be subject to any material increase.
