

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

**FORM 10-Q**

(MARK ONE)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 333-181719

**CARDAX, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**45-448428**  
(I.R.S. Employer  
Identification No.)

**2800 Woodlawn Drive, Suite 129, Honolulu, Hawaii 96822**  
(Address of principal executive offices, zip code)

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

(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2 of the Exchange Act): Yes  No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
N/A	N/A	N/A

*Note: The registrant's common stock, par value \$0.001, is quoted under the symbol "CDXI" on the OTCQB but is not registered under Section 12(b) of the Act.*

As of November 11, 2020, there were 765,154 shares of common stock, \$0.001 par value per share (Common Stock), of the registrant outstanding.

## TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	4
<u>Item 1. Financial Statements.</u>	4
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	38
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk.</u>	44
<u>Item 4. Controls and Procedures.</u>	44
<u>PART II. OTHER INFORMATION</u>	45
<u>Item 1. Legal Proceedings.</u>	45
<u>Item 1A. Risk Factors.</u>	45
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	45
<u>Item 3. Defaults Upon Senior Securities.</u>	45
<u>Item 4. Mine Safety Disclosures.</u>	45
<u>Item 5. Other Information.</u>	45
<u>Item 6. Exhibits.</u>	46

## SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

There are statements in this quarterly report that are not historical facts. These “forward-looking statements” can be identified by use of terminology such as “anticipate,” “believe,” “estimate,” “expect,” “hope,” “intend,” “may,” “plan,” “positioned,” “project,” “propose,” “should,” “strategy,” “will,” or any similar expressions. You should be aware that these forward-looking statements are subject to risks and uncertainties that are beyond our control. Although we believe that our assumptions underlying such forward-looking statements are reasonable, we do not guarantee our future performance, and our actual results may differ materially from those contemplated by these forward-looking statements. Our assumptions used for the purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances, including the development, acceptance, and sales of our products, and our ability to raise additional financing or obtain grant funding sufficient to implement our strategy. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. In light of these numerous risks and uncertainties, we cannot provide any assurance that the results and events contemplated by our forward-looking statements contained in this quarterly report will in fact transpire. **These forward-looking statements are not guarantees of future performance. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.** We do not undertake any obligation to update or revise any forward-looking statements, except as required by law.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Condensed Consolidated Financial Statements

Cardax, Inc., and Subsidiary

September 30, 2020 and 2019

Contents

	<u>Page</u>
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:	
<a href="#">Condensed consolidated balance sheets</a>	5
<a href="#">Condensed consolidated statements of operations</a>	6
<a href="#">Condensed consolidated statement of changes in stockholders' deficit</a>	7
<a href="#">Condensed consolidated statements of cash flows</a>	9
<a href="#">Notes to the condensed consolidated financial statements</a>	10

## Cardax, Inc., and Subsidiary

## CONDENSED CONSOLIDATED BALANCE SHEETS

As of

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 107,185	\$ 19,303
Accounts receivable, net	-	205,768
Inventories	1,057,869	1,177,831
Deposits and other assets	3,063	2,066
Prepaid expenses	208,028	181,093
Total current assets	1,376,145	1,586,061
INTANGIBLE ASSETS, net	406,572	420,373
RIGHT TO USE LEASED ASSETS	3,843	12,488
<b>TOTAL ASSETS</b>	<b>\$ 1,786,560</b>	<b>\$ 2,018,922</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accrued payroll and payroll related expenses, current portion	\$ 4,171,448	\$ 3,687,376
Accounts payable and accrued expenses	1,658,966	1,544,402
Fees payable to directors	418,546	418,546
Accrued separation costs, current portion	11,250	9,000
Current portion of related party notes payable	600,000	575,000
Current portion of note payable	128,338	-
Related party convertible notes payable, net of discount	1,298,689	651,721
Convertible notes payable, net of discount	1,217,207	358,289
Employee settlement	50,000	50,000
Lease liability, current portion	3,843	11,527
Derivative liability on convertible notes payable	649,417	827,314
Total current liabilities	10,207,704	8,133,175
<b>NON-CURRENT LIABILITIES</b>		
Note payable, less of current portion	82,962	-
Related party notes payable, less of current portion	1,000,000	1,000,000
Accrued separation costs, less current portion	74,635	83,635
Lease liability, less current portion	-	961
Total non-current liabilities	1,157,597	1,084,596
<b>COMMITMENTS AND CONTINGENCIES</b>		
Total liabilities	11,365,301	9,217,771
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred Stock - \$0.001 par value; 50,000,000 shares authorized, 0 shares issued and outstanding as of September 30, 2020, and December 31, 2019, respectively	-	-
Common stock - \$0.001 par value; 400,000,000 shares authorized, 765,154 and 687,564 shares issued and outstanding as of September 30, 2020, and December 31, 2019, respectively	765	688
Additional paid-in-capital	61,514,390	59,836,818
Accumulated deficit	(71,093,896)	(67,036,355)
Total stockholders' deficit	(9,578,741)	(7,198,849)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 1,786,560</b>	<b>\$ 2,018,922</b>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

## Cardax, Inc., and Subsidiary

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three-months ended September 30,		For the nine-months ended September 30	
	2020	2019	2020	2019
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
REVENUES, net	\$ 66,502	\$ 229,142	\$ 343,836	\$ 439,505
COST OF GOODS SOLD	27,516	120,818	129,381	254,479
GROSS PROFIT	38,986	108,324	214,455	185,026
OPERATING EXPENSES:				
Salaries and wages	353,965	387,636	1,068,120	1,177,362
Professional fees	121,844	375,298	462,286	817,546
Selling, general, and administrative expenses	105,461	206,042	467,778	731,487
Stock based compensation	144,062	175,712	488,437	534,774
Research and development	10,681	145,273	102,457	250,141
Depreciation and amortization	8,733	10,074	26,200	29,102
Total operating expenses	744,746	1,300,035	2,615,278	3,540,412
Loss from operations	(705,760)	(1,191,711)	(2,400,823)	(3,355,386)
OTHER INCOME (EXPENSE):				
Change in fair value of derivative liability	(268,711)	(20,524)	(191,545)	(3,139)
Gain on modification of debt instruments	40,133	-	394,924	-
Other income	-	-	10,000	-
Loss on abandonment of patents	-	(36,205)	-	(36,205)
Interest expense	(419,993)	(185,186)	(1,870,097)	(256,010)
Total other (expense) income, net	(648,571)	(241,915)	(1,656,718)	(295,354)
Loss before the provision for income taxes	(1,354,331)	(1,433,626)	(4,057,541)	(3,650,740)
PROVISION FOR INCOME TAXES	-	-	-	-
NET LOSS	\$ (1,354,331)	\$ (1,433,626)	\$ (4,057,541)	\$ (3,650,740)
NET LOSS PER SHARE				
Basic	\$ (1.79)	\$ (2.10)	\$ (5.51)	\$ (5.38)
Diluted	\$ (1.79)	\$ (2.10)	\$ (5.51)	\$ (5.38)
SHARES USED IN CALCULATION OF NET LOSS PER SHARE				
Basic	755,847	683,731	736,719	678,108
Diluted	755,847	683,731	736,719	678,108

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

## Cardax, Inc., and Subsidiary

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER DEFICIT

Nine-months ended September 30, 2019 and 2020

	Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance at January 1, 2019	669,967	\$ 670	\$ 58,407,257	\$ (61,943,318)	\$ (3,535,391)
Common stock grants to independent directors	8,137	8	262,492	-	262,500
Common stock grants to service providers	562	1	14,399	-	14,400
Stock based compensation - options	-	-	257,875	-	257,875
Restricted stock issuance	8,169	8	244,992	-	245,000
Issuance of warrants attached to convertible notes	-	-	141,435	-	141,435
Net loss	-	-	-	(3,650,740)	(3,650,740)
Balance at September 30, 2019	<u>686,835</u>	<u>\$ 687</u>	<u>\$ 59,328,450</u>	<u>(65,594,058)</u>	<u>\$ (6,264,921)</u>
Balance at January 1, 2020	687,564	\$ 688	\$ 59,836,818	\$ (67,036,355)	\$ (7,198,849)
Common stock grants to independent directors	17,708	18	56,232	-	56,250
Warrants granted to independent directors	-	-	225,000	-	225,000
Stock based compensation - options	-	-	207,187	-	207,187
Common stock grants to convertible note holders	81,409	81	532,131	-	532,212
Issuance of warrants attached to convertible notes	-	-	303,630	-	303,630
Beneficial conversion feature issued on convertible notes	-	-	141,391	-	141,391
Revaluation of notes payable discounts due to modification of conversion price	-	-	(271,998)	-	(271,998)
Extension fee for convertible note	6,250	6	24,994	-	25,000
Extinguishment of derivative liability upon repayment of convertible note	-	-	458,977	-	458,977
Stock retirement	(27,777)	(28)	28	-	-
Net loss	-	-	-	(4,057,541)	(4,057,541)
Balance at September 30, 2020	<u>765,154</u>	<u>\$ 765</u>	<u>\$ 61,514,390</u>	<u>(71,093,896)</u>	<u>\$ (9,578,741)</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Cardax, Inc., and Subsidiary

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER DEFICIT  
(continued)

Three-months ended September 30, 2019 and 2020

	Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance at July 1, 2019	683,731	\$ 684	\$ 59,044,605	\$ (64,160,432)	\$ (5,115,143)
Common stock grants to independent directors	2,917	3	87,497	-	87,500
Common stock grants to service providers	187	-	3,338	-	3,338
Stock based compensation - options	-	-	84,875	-	84,875
Issuance of warrants attached to convertible notes	-	-	108,135	-	108,135
Net loss	-	-	-	(1,433,626)	(1,433,626)
Balance at September 30, 2019	<u>686,835</u>	<u>\$ 687</u>	<u>\$ 59,328,450</u>	<u>\$ (65,594,058)</u>	<u>\$ (6,264,921)</u>
Balance at July 1, 2020	752,654	\$ 753	\$ 61,101,987	\$ (69,739,565)	\$ (8,636,825)
Common stock grants to independent directors	6,250	6	18,744	-	18,750
Warrants granted to independent directors	-	-	75,000	-	75,000
Stock based compensation - options	-	-	50,312	-	50,312
Issuance of warrants attached to convertible notes	-	-	300,853	-	300,853
Revaluation of notes payable discounts due to modification of conversion price	-	-	(57,500)	-	(57,500)
Extension fee for convertible note	6,250	6	24,994	-	25,000
Net loss	-	-	-	(1,354,331)	(1,354,331)
Balance at September 30, 2020	<u>765,154</u>	<u>\$ 765</u>	<u>\$ 61,514,390</u>	<u>\$ (71,093,896)</u>	<u>\$ (9,578,741)</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.



## Cardax, Inc., and Subsidiary

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine-months ended September 30,

	2020 <i>(Unaudited)</i>	2019 <i>(Unaudited)</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (4,057,541)	\$ (3,650,740)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	26,200	29,102
Amortization of debt discount	1,414,808	129,256
Stock based compensation	488,437	534,775
Bad debt expense on accounts receivable	52,766	-
Loss on abandonment of patents	-	36,205
Change in fair value of derivative liability	191,545	3,139
Gain on modification of debt instruments	(394,924)	-
Expense related to extension of debt instruments	35,000	-
Changes in assets and liabilities:		
Accounts receivable	118,166	32,333
Inventories	119,962	172,653
Deposits and other assets	(997)	-
Prepaid expenses	(26,935)	(21,013)
Accrued payroll and payroll related expenses	484,072	43,801
Accounts payable and accrued expenses	149,400	(350,650)
Accrued separation costs	(6,750)	(6,750)
Net cash used in operating activities	<u>(1,406,791)</u>	<u>(3,047,889)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Increase in intangible assets	<u>(12,399)</u>	<u>(58,394)</u>
Net cash used in investing activities	<u>(12,399)</u>	<u>(58,394)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of related party notes payable	25,000	1,575,000
Proceeds from the issuance of notes payable	236,300	-
Proceeds from the issuance of related party convertible notes payable	250,000	750,000
Proceeds from the issuance of convertible notes payable	1,590,000	300,000
Repayment of principal on related party notes payable	-	-
Repayment of principal on notes payable	(25,000)	-
Repayment of principal on related party convertible notes payable	-	-
Repayment of principal on convertible notes payable	(529,228)	-
Payment of debt issuance costs	(40,000)	-
Proceeds from the issuance of common stock	-	245,000
Net cash provided by financing activities	<u>1,507,072</u>	<u>2,870,000</u>
NET INCREASE (DECREASE) IN CASH	87,882	(236,283)
BEGINNING OF THE PERIOD	<u>19,303</u>	<u>243,753</u>
END OF THE PERIOD	<u>\$ 107,185</u>	<u>\$ 7,470</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid for interest	\$ 379,671	\$ 13,937
Cash paid for income taxes	\$ -	\$ -
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Settlement of receivables with payables	\$ 34,836	\$ 60,670
Right to use assets funded through leases	\$ 8,645	\$ 22,015
Retirement of issued stock	\$ 28	\$ -
Discounts recognized on notes payable at issuance	\$ 977,233	\$ 384,710
Extinguishment of derivative liability upon repayment of convertible notes	\$ 458,977	\$ -
Revaluation of notes payable discounts due to modification of conversion price	\$ 271,998	\$ -

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS

NOTE 1 – COMPANY BACKGROUND

The Company's predecessor, Cardax Pharmaceuticals, Inc. ("Holdings"), was incorporated in the State of Delaware on March 23, 2006.

Cardax, Inc. (the "Company") (OTCQB:CDXI) is a development stage biopharmaceutical company primarily focused on the development of pharmaceuticals for chronic diseases driven by inflammation. The Company also has a commercial business unit that markets dietary supplements for inflammatory health. CDX-101, the Company's astaxanthin pharmaceutical candidate, is being developed for cardiovascular inflammation and dyslipidemia, with a target initial indication of severe hypertriglyceridemia. CDX-301, the Company's zeaxanthin pharmaceutical candidate, is being developed for macular degeneration. The Company's pharmaceutical candidates are currently in pre-clinical development, including the planning of IND enabling studies. ZanthoSyn® is a physician recommended astaxanthin dietary supplement for inflammatory health. The Company sells ZanthoSyn® primarily through wholesale and e-commerce channels. The safety and efficacy of the Company's products have not been directly evaluated in clinical trials or confirmed by the FDA.

Going concern matters

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying condensed consolidated financial statements, the Company incurred net losses of \$1,354,331 and \$4,057,541 for the three and nine-months ended September 30, 2020, respectively, and incurred net losses of \$1,433,626 and \$3,650,740 for the three and nine-months ended September 30, 2019, respectively. The Company has incurred losses since inception resulting in an accumulated deficit of \$71,093,896 as of September 30, 2020, and has had negative cash flows from operating activities since inception. The Company expects that its marketing program for ZanthoSyn® will continue to focus on outreach to physicians, healthcare professionals, retail personnel, and consumers, and anticipates further losses in the development of its consumer business. The Company also plans to advance the research and development of its pharmaceutical candidates and anticipates further losses in the development of its pharmaceutical business. The Company's ability to access the capital markets is unknown during the coronavirus disease 2019 ("COVID-19") pandemic, which may limit or prevent the funding of its operations and related obligations. As a result of these and other factors, management has determined there is substantial doubt about the Company's ability to continue as a going concern.

The Company needs to raise additional capital to carry out its business plan. During the nine-months ended September 30, 2020, the Company raised \$2,101,300 in gross proceeds through the issuance of debt securities. The Company filed a registration statement on Form S-1 on August 14, 2019, as amended September 27, 2019, and November 22, 2019, for a proposed \$15 million public offering of common stock and warrants; however, there can be no assurance that the proposed public offering will be consummated. The Company's continued ability to raise capital through future equity and debt securities issuances is unknown, especially during the COVID-19 pandemic. If the Company is unable to obtain adequate capital, the Company may be required to cease operations or substantially curtail its ongoing and planned commercial activities. The ability to successfully resolve these factors raises substantial doubt about the Company's ability to continue as a going concern. The condensed consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these uncertainties.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into law. The CARES Act provides aid to small businesses through programs administered by the U.S. Small Business Administration (the "SBA"). The CARES Act includes, among other things, provisions relating to payroll tax credits and deferrals, net operating loss carryback periods, alternative minimum tax credits, and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act also established a Paycheck Protection Program (the "PPP"), under which certain small business are eligible for a loan to fund payroll expenses, rent, and related costs. In April 2020, the Company entered into a PPP loan with a financial institution (see Note 7). Under the terms of the program, the loan amount may be forgiven if certain terms and conditions are met.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unaudited interim financial information

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial information. In the opinion of the Company’s management, the accompanying condensed consolidated financial statements reflect all adjustments, consisting of normal, recurring adjustments, considered necessary for a fair presentation of the results for the interim periods ended September 30, 2020 and 2019.

Although management believes that the disclosures in these unaudited condensed consolidated financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in financial statements that have been prepared in accordance U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC.

These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the related notes included in the Company’s annual report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on March 30, 2020 (the “Annual Report”).

Revenue from contracts with customers

Revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company recognizes revenues from its contracts with customers for its products through wholesale and e-commerce channels when goods and services have been identified, the payment terms agreed to, the contract has commercial substance, both parties have approved the contract, and it is probable that the Company will collect all substantial consideration.

The following table presents our revenues disaggregated by revenue source and geographical location. Sales and usage-based taxes are included as a component of revenues for the nine-months ended:

Geographical area	Source	September 30, 2020 <i>(Unaudited)</i>	September 30, 2019 <i>(Unaudited)</i>
United States	Nutraceuticals	\$ 333,464	\$ 439,505
Hong Kong	Nutraceuticals	\$ 10,372	\$ -

Sales discounts, rebates, promotional amounts to vendors, and returns and allowances are recorded as a reduction to sales in the period in which sales are recorded. The Company records shipping charges and sales tax gross in revenues and cost of goods sold. Sales discounts and other adjustments are recorded at the time of sale.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes payable

The Company issued various notes payable to related and non-related parties. These notes payable included original issue discounts, detachable warrants, conversion features, beneficial conversion features, and debt issuance costs.

- *Original issue discounts.* The Company accounts for the original issue discounts in accordance with Accounting Standards Codification (“ASC”) No. 835-30, *Interest and Imputation of Interest*, which requires the Company to record the discount as a contra-liability and amortize it over the term of the underlying note using the interest method.
- *Detachable warrants.* The Company accounts for detachable warrants in accordance with ASC No. 470-20, *Debt*, which requires the Company to bifurcate and separately account for the detachable warrant as a separated debt instrument. The values are assigned to detachable warrant based on a relative fair allocation between the note, the warrants, and any other debt instrument issued with the note payable. The fair value used for the warrant in this allocation is calculated using the Black-Scholes valuation model.
- *Conversion features.* The Company accounts for the fair value of the conversion feature in accordance with ASC 815-15, *Derivatives and Hedging; Embedded Derivatives*, which requires the Company to bifurcate and separately account for the conversion feature as an embedded derivative contained in the Company’s convertible note. The Company is required to carry the embedded derivative on its balance sheet at fair value. The initial value of the embedded derivative is accounted for as a discount to the convertible note and a derivative liability. The liability is required to be remeasured at each reporting date and the change in fair value is recognized as a component in the results of operations. The Company values the embedded derivatives on the condensed consolidated balance sheet at fair value using the Black-Scholes valuation model.
- *Beneficial conversion features.* The Company accounts for beneficial conversion features in accordance with ASC No. 470-20, *Debt*, which requires the Company to recognize a discount and charge an amount to additional paid in capital equal to the intrinsic value of the beneficial conversion feature.
- *Debt issuance costs.* The Company accounts for debt issuance costs in accordance with ASC No. 470-20, *Debt*, which requires the Company to recognize a contra-liability for costs incurred with the issuance of debt instruments. These contra-liabilities are amortized over the term of the underlying note payable using the interest method.

Stock issuance costs

Stock issuance costs related to financing are accounted for as a reduction in stock proceeds in accordance with ASC No. 340-10, *Other Assets and Deferred Costs*. Such costs consist of underwriting and legal fees, as well as travel costs incurred. These costs were \$198,331 as of September 30, 2020, and are being deferred as a component of prepaid expenses in the accompanying condensed consolidated balance sheet until completion of the proposed public offering.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

Accounts receivable, net, of \$0 and \$205,768 as of September 30, 2020, and December 31, 2019, respectively, consists of amounts due from sales of dietary supplements.

It is the Company's policy to provide for an allowance for doubtful collections based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Normal receivables are due 60 days after the issuance of the invoice. Receivables past due more than 90 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. There was an allowance of \$52,766 as of September 30, 2020, in connection with the Chapter 11 filing for reorganization under the U.S. Bankruptcy Code of General Nutrition Corporation ("GNC"), the Company's largest customer, on June 23, 2020. There was no allowance necessary as of December 31, 2019.

Other significant accounting policies

There have been no other material changes to our significant accounting policies during the nine-months ended September 30, 2020, as compared to the significant accounting policies described in our Annual Report.

Recently adopted accounting pronouncements

In November 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-08, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606)*. The amendments in this ASU require that an entity apply the guidance in Topic 718 to measure and classify share-based payment awards granted to a customer. The amount recorded as a reduction in the transaction price should be based on the grant-date fair value of the share-based payment award. The guidance in ASU No. 2019-08 is effective fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The adoption of this ASU did not have a significant impact on the Company or its results of operations.

Recently issued accounting pronouncements

In August 2020, the FASB issued ASU No. 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" ("ASU 2020-06"), which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. ASU 2020-06 removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception and it also simplifies the diluted earnings per share calculation in certain areas. ASU 2020-06 is effective for the Company for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020 and adoption must be as of the beginning of the Company's annual fiscal year. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

In December 2019, the FASB Issued ASU No. 2019-12, *Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes*. The amendments in this ASU simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. For public business entities, the amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Management is currently in the process of evaluating the impact of the adoption of this ASU on its condensed consolidated financial statements.

The Company does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the condensed consolidated financial statements.

Reclassifications

The Company has made certain reclassifications to conform its prior periods' data to the current presentation. These reclassifications had no effect on the reported results of operations or cash flows.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 3 – INVENTORIES

Inventories consist of the following as of:

	September 30, 2020	December 31, 2019
	<i>(Unaudited)</i>	
Raw materials	\$ 759,400	\$ 763,800
Finished goods	298,469	414,031
Total inventories	<u>\$ 1,057,869</u>	<u>\$ 1,177,831</u>

As of September 30, 2020, and December 31, 2019, all raw materials were held at the manufacturer's facility for future production. Additionally, as of September 30, 2020, and December 31, 2019, \$281,791 and \$407,756, respectively, in finished goods were held at the manufacturer's facility for shipment.

## NOTE 4 – INTANGIBLE ASSETS, net

Intangible assets, net, consists of the following as of:

	September 30, 2020	December 31, 2019
	<i>(Unaudited)</i>	
Patents	\$ 614,003	\$ 614,003
Less accumulated amortization	(358,281)	(332,081)
	255,722	281,922
Patents pending	150,850	138,451
Total intangible assets, net	<u>\$ 406,572</u>	<u>\$ 420,373</u>

Patents are amortized straight-line over a period of fifteen years. Amortization expense was \$8,733 and \$26,200 for the three and nine-months ended September 30, 2020, respectively. Amortization expense was \$10,074 and \$29,102 for the three and nine-months ended September 30, 2019, respectively.

The Company has capitalized costs for several patents that are still pending. In those instances, the Company has not recorded any amortization. The Company will commence amortization when these patents are approved.

The Company has 29 issued patents, including 14 in the U.S. and 15 outside the U.S. and one patent pending outside the U.S. that will expire between 2023 and 2028, subject to patent term extensions. The Company also has four additional patents pending that if issued would extend patent coverage in the U.S. and outside the U.S. to 2039-2041.

## NOTE 5 – ACCRUED SEPARATION COSTS

On August 9, 2016, the Company entered into a separation agreement with an employee to pay \$118,635 of accrued compensation over nine-years. As of September 30, 2020, \$85,885 remains outstanding of which \$11,250 is due within one-year and is reflected as a current liability.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 6 – RELATED PARTY NOTES PAYABLE

Related party notes payable consisted of the following as of:

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Inventory financing.</i> On January 11, 2019, the Company entered into a \$1,000,000 revolving inventory financing facility with a lender that is also a current stockholder that beneficially owns more than 5% of the Company's common stock. Use of proceeds from this facility is limited to the purchase of inventory, including raw materials, intermediates, and finished goods, unless otherwise approved by the lender. This facility accrues interest at the rate of 12% per annum payable monthly, is unsecured, and matures in three years from origination.	\$ 1,000,000	\$ 1,000,000
<i>Officer loan.</i> On June 26, 2019, the Company borrowed \$75,000 from the Chief Executive Officer of the Company. This note accrues interest at the rate of 4.5% per annum, payable at maturity, is unsecured, and was originally due August 26, 2019, but the maturity date was extended to June 30, 2021.	75,000	75,000
<i>Promissory note 2019-01.</i> On May 20, 2019, the Company entered into a \$400,000 promissory note with a lender that is also a current stockholder that beneficially owns more than 5% of the Company's common stock. On July 10, 2019, this note was amended to increase the principal sum by an additional \$100,000. This note accrues interest at the rate of 12% per annum, payable at maturity, is unsecured, and was originally due August 20, 2019, but the maturity date was extended to June 30, 2021.	500,000	500,000
<i>Promissory note.</i> On June 29, 2020, the Company entered into a \$25,000 promissory note with a lender that is also a current stockholder that beneficially owns more than 5% of the Company's common stock. This note accrued interest at the rate of 12% per annum, payable at maturity, was unsecured, and was originally due September 30, 2020, but the maturity date was extended to October 15, 2020. This note was subsequently repaid on October 8, 2020.	<u>25,000</u>	<u>-</u>
Total related party notes payable	1,600,000	1,575,000
Less current portion	<u>(600,000)</u>	<u>(575,000)</u>
Long term related party notes payable	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 6 – RELATED PARTY NOTES PAYABLE (continued)

Interest expense

The Company incurred interest charges on these related party notes payable of \$46,848 and \$45,925 during the three-months ended September 30, 2020 and 2019, respectively. The Company incurred interest charges on these related party notes payable of \$138,051 and \$101,385 during the nine-months ended September 30, 2020 and 2019, respectively. The aggregate amount of accrued and unpaid interest on these related party notes payable was \$95,273 and \$31,111 as of September 30, 2020 and 2019, respectively.

Maturities

Future maturities of these related party notes payable are as follows as of September 30:

2021	\$ 600,000
2022	1,000,000
	<u>\$ 1,600,000</u>

## NOTE 7 – NOTES PAYABLE

On April 22, 2020, the Company received a Paycheck Protection Program (“PPP”) loan from a U.S. Small Business Administration (the “SBA”) lender for \$211,300. Under the terms of the program, up to 100% of the loan amount may be forgiven if certain terms and conditions are met. The unforgiven amount, if any, matures in April 2022 and accrues interest at 1% per annum with principal and interest payments of \$11,891 per month starting in November 2020.

On July 14, 2020, the Company issued a note payable in the amount of \$25,000. This note accrued interest at 12% per annum, payable at maturity, and matured on July 31, 2020. On July 31, 2020, this note was repaid in full.

Interest expense

The Company incurred interest charges on these notes payable of \$670 and \$1,075 during the three and nine-months ended September 30, 2020, respectively. The aggregate amount of accrued and unpaid interest on this note payable was \$935 as of September 30, 2020.

Maturity

Future maturity of this note payable is as follows as of September 30:

2021	\$ 128,338
2022	82,962
	<u>\$ 211,300</u>

The Company also applied for the Economic Injury Disaster Loan (“EIDL”) from the SBA, which remains pending as of the date hereof. The Company received an EIDL advance amount of \$10,000 during the nine-months ended September 30, 2020. According to the terms set forth by the SBA, regardless of whether the loan application is approved or declined, the advance does not need to be repaid; accordingly, the Company recognized the advance as other income.



NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 8 – RELATED PARTY CONVERTIBLE NOTES PAYABLE

Related party convertible notes payable consisted of the following as of:

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Convertible note 2019-02.</i> On July 19, 2019, the Company issued a convertible note payable in the amount \$815,217, with an original issue discount of \$65,217 in exchange for \$750,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at the conversion price then in effect (initially \$24 per share, subject to adjustment) any time at the holder's option or automatically upon a qualified financing of at least \$5 million at the lower of the conversion price then in effect or a 25% discount to the offering price. The conversion price is subject to adjustment upon the issuance of the Company's common stock or securities convertible into common stock at a price per share less than the then prevailing conversion price, other than specified exempt issuances; accordingly, the adjusted conversion price was equal to \$4.27 per share as of September 30, 2020, and \$14 per share as of December 31, 2019. A beneficial conversion feature was recognized as a result of the conversion price upon issuance and adjustment being less than fair market value. This note was also issued with a detachable warrant to purchase 7,500 shares of stock at \$24 per share, which is subject to adjustment in accordance with any adjustment to the conversion price of this note; accordingly, the adjusted exercise price was equal to \$4.27 per share as of September 30, 2020, and \$14 per share as of December 31, 2019. The valuation of the conversion feature and detachable warrant and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$234,300 and \$582,533 as of September 30, 2020, and December 31, 2019, respectively, wherein the difference was due to the revaluation of such features upon adjustment of the conversion price in February 2020.	\$ 815,217	\$ 815,217

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 8 – RELATED PARTY CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Convertible note 2019-07.</i> On October 16, 2019, the Company issued a convertible note payable in the amount \$217,391, with an original issue discount of \$17,391 in exchange for \$200,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at the conversion price then in effect (initially \$24 per share, subject to adjustment) any time at the holder's option or automatically upon a qualified financing of at least \$5 million at the lower of the conversion price then in effect or a 25% discount to the offering price. The conversion price is subject to adjustment upon the issuance of the Company's common stock or securities convertible into common stock at a price per share less than the then prevailing conversion price, other than specified exempt issuances; accordingly, the adjusted conversion price was equal to \$4.27 per share as of September 30, 2020, and \$14 per share as of December 31, 2019. A beneficial conversion feature was recognized as a result of the conversion price upon adjustment being less than fair market value. This note was also issued with a detachable warrant to purchase 2,000 shares of stock at \$24 per share, which is subject to adjustment in accordance with any adjustment to the conversion price of this note; accordingly, the adjusted conversion price was equal to \$4.27 per share as of September 30, 2020, and \$14 per share as of December 31, 2019. The valuation of the conversion feature and detachable warrant and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$63,060 and \$110,783 as of September 30, 2020, and December 31, 2019, respectively, wherein the difference was due to the revaluation of such features upon adjustment of the conversion price in February 2020.	217,391	217,391
<i>Officer convertible note.</i> On November 15, 2019, the Company issued a convertible note payable in the amount \$100,000. This note accrues interest at 14% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at the conversion price of \$20 per share.	100,000	100,000
<i>Convertible note 2020-11.</i> On September 17, 2020, the Company issued a convertible note payable in the amount \$271,739, with an original issue discount of \$21,739 in exchange for \$250,000. This note accrues interest at 8% per annum, payable monthly, and has a maturity of June 30, 2021. This note and accrued interest may convert into shares of common stock at the conversion price then in effect (initially \$4.50 per share, subject to adjustment) any time at the holder's option or automatically upon a qualified financing of at least \$5 million at the lower of the conversion price then in effect or a 25% discount to the offering price. The conversion price is subject to adjustment upon the issuance of the Company's common stock or securities convertible into common stock at a price per share less than the then prevailing conversion price, other than specified exempt issuances. This note was also issued with a detachable warrant to purchase 13,333 shares of stock at \$4.50 per share, which is subject to adjustment in accordance with any adjustment to the conversion price of this note. The valuation of the conversion feature and detachable warrant resulted in the recognition of discounts on this note equal to \$88,950 as of September 30, 2020.	271,739	-

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 8 – RELATED PARTY CONVERTIBLE NOTES PAYABLE (continued)

Related party convertible notes payable consisted of the following as of:

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
Total related party convertible notes payable	1,404,348	1,132,608
Less original issue discounts	<u>(104,348)</u>	<u>(82,608)</u>
Related party convertible notes payable, net	1,300,000	1,050,000
Less discounts for conversion rights, beneficial conversion features, and detachable warrants	(386,310)	(693,316)
Plus amortization of discounts	<u>384,999</u>	<u>295,037</u>
Total related party convertible notes payable, net	<u>\$ 1,298,689</u>	<u>\$ 651,721</u>

Discounts

Total discounts (original issue discounts plus discounts for conversion rights, beneficial conversion features, and detachable warrants) of \$490,658 are amortized using the interest method, which resulted in amortization recorded as interest expense of \$5,030 and \$348,865 for the three and nine-months ended September 30, 2020, with total accumulated amortization equal to \$384,999 as of September 30, 2020.

Modifications

In February 2020, the Company adjusted the conversion price of certain related party convertible notes payable in accordance with their terms, which triggered modification accounting and resulted in a gain of \$258,903.

On June 30, 2020, the Company extended the maturity dates of the related party convertible notes payable as described in the table above. In conjunction with these extensions, management compared the present values of these notes prior to the extension and after the extension in accordance with FASB ASC No. 470-50, Debt Modifications and Extinguishments, noting that the change in present value was less than 10%. As such, these notes were determined to not be substantially different and no changes in values were recognized.

Interest expense

The Company incurred interest charges on these related party convertible notes payable of \$25,116 and \$13,222 during the three-months ended September 30, 2020 and 2019, respectively. The Company incurred interest charges on these related party convertible notes payable of \$73,156 and \$13,222 during the nine-months ended September 30, 2020, respectively. The aggregate amount of accrued and unpaid interest on these related party convertible notes payable was \$8,750 and \$5,360 as of September 30, 2020 and 2019, respectively.

Maturities

Future maturities of these related party convertible notes payable are as follows as of September 30:

2021	<u>\$ 1,404,348</u>
	<u>\$ 1,404,348</u>

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 9 – CONVERTIBLE NOTES PAYABLE

Convertible notes payable consisted of the following as of:

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Convertible note 2019-01.</i> On April 18, 2019, the Company issued a convertible note payable in the amount \$150,000. This note accrued interest at 10% per annum, payable at maturity, and was originally due December 31, 2019, but the maturity date was extended to March 31, 2020. This note was fully repaid as of March 17, 2020. Prior to repayment, this note and accrued interest were convertible into shares of common stock at the conversion price then in effect (initially \$24 per share, subject to adjustment) any time at the holder's option. The conversion price was subject to adjustment upon the issuance of the Company's common stock or securities convertible into common stock at a price per share less than the then prevailing conversion price, other than specified exempt issuances; accordingly, the adjusted conversion price was equal to \$4.27 per share as of March 17, 2020, and \$14 per share as of December 31, 2019. A beneficial conversion feature was recognized as a result of the conversion price upon issuance and adjustment being less than fair market value. This note was also issued with a detachable warrant to purchase 2,500 shares of stock at \$40 per share. The valuation of the conversion feature and detachable warrant and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$199,012 as of December 31, 2019. The discounts on this note and accumulated amortization of such discounts were eliminated upon repayment.	\$ -	\$ 150,000
<i>Convertible note 2019-03.</i> On September 4, 2019, the Company issued a convertible note payable in the amount \$108,696, with an original issue discount of \$8,696 in exchange for \$100,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to December 31, 2020. This note and accrued interest may convert into shares of common stock at \$24 per share any time at the holder's option. A beneficial conversion feature was recognized as a result of the conversion price upon issuance being less than fair market value. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty (30) months, as amended. This note was also issued with a detachable warrant to purchase 1,000 shares of stock at \$24 per share. The valuation of the detachable warrant and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$18,326.	108,696	108,696

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 9 – CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Convertible note 2019-04.</i> On September 25, 2019, the Company issued a convertible note payable in the amount \$54,348, with an original issue discount of \$4,348 in exchange for \$50,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$24 per share any time at the holder's option. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with a detachable warrant to purchase 500 shares of stock at \$24 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$4,190.	54,348	54,348
<i>Convertible note 2019-05.</i> On October 3, 2019, the Company issued a convertible note payable in the amount \$27,174, with an original issue discount of \$2,174 in exchange for \$25,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$24 per share any time at the holder's option. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with a detachable warrant to purchase 250 shares of stock at \$24 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$2,705.	27,174	27,174

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 9 – CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Convertible note 2019-06.</i> On October 10, 2019, the Company issued a convertible note payable in the amount \$27,174, with an original issue discount of \$2,174 in exchange for \$25,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$24 per share any time at the holder's option. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with a detachable warrant to purchase 250 shares of stock at \$24 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$2,505.	27,174	27,174
<i>Convertible note 2019-08.</i> On October 23, 2019, the Company issued a convertible note payable in the amount \$108,696, with an original issue discount of \$8,696 in exchange for \$100,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$24 per share any time at the holder's option. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with detachable warrants to purchase 1,250 shares of stock at \$30 per share and 1,250 shares of stock at \$40 per share. The valuation of the detachable warrants resulted in the recognition of a discount on this note equal to \$21,363.	108,696	108,696

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 9 – CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Convertible note 2019-09.</i> On October 29, 2019, the Company issued a convertible note payable in the amount \$27,174, with an original issue discount of \$2,174 in exchange for \$25,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$24 per share any time at the holder's option. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with a detachable warrant to purchase 250 shares of stock at \$24 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$2,295.	27,174	27,174
<i>Convertible note 2019-10.</i> On November 8, 2019, the Company issued a convertible note payable in the amount \$16,304, with an original issue discount of \$1,304 in exchange for \$15,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$14 per share any time at the holder's option. A beneficial conversion feature was recognized as a result of the conversion price upon issuance being less than fair market value. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with a detachable warrant to purchase 150 shares of stock at \$14 per share. The valuation of the detachable warrant and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$3,279.	16,304	16,304

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 9 – CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<p><i>Convertible note 2020-01.</i> On January 6, 2020, the Company issued a convertible note payable in the amount \$10,870, with an original issue discount of \$870 in exchange for \$10,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$10 per share any time at the holder's option. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with a detachable warrant to purchase 100 shares of stock at \$10 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$793.</p>	10,870	-
<p><i>Convertible note 2020-02.</i> On January 21, 2020, the Company issued a convertible note payable in the amount \$262,500, with an original issue discount of \$12,500 in exchange for \$250,000. This note accrues interest at 10% per annum from and after July 1, 2020, and accrued a one-time fixed interest charge upon issuance equal to 10% of the principal amount. This note was originally due June 30, 2020, but the maturity date was extended to September 1, 2020, and subsequently to October 30, 2020, and then to December 15, 2020. The Company issued 6,250 shares of common stock as consideration for the initial extension to September 1, 2020. The Company paid an extension fee of \$25,000 as consideration for the extension to December 15, 2020. This note and accrued interest may convert into shares of common stock at \$4.27 per share (as adjusted on February 21, 2020) any time at the holder's option. A beneficial conversion feature was recognized as a result of the conversion price upon adjustment being less than fair market value. As amended, the before-mentioned conversion features shall not be permitted unless the note remains outstanding after the revised maturity date of October 30, 2020. 5,855 shares of common stock were issued as a commitment fee in connection with the purchase of this note and recognized as a debt issuance cost. The debt issuance costs and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$85,247. This note is secured by finished goods inventory. \$200,000 was paid to the holder on September 18, 2020; \$32,003 for accrued and unpaid interest to date, \$129,228 for principal repayment, and \$38,769 as a premium on the principal repayment. The remaining balance is to be paid to the holder on or before December 15, 2020. The amendment to this note on November 10, 2020, which extended the maturity date to December 15, 2020, was considered a material modification under ASC 470-50-40, and as a result, is considered an accounting extinguishment in the period the note was modified.</p>	133,272	-



NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 9 – CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<i>Convertible note 2020-03.</i> On February 25, 2020, the Company issued a convertible note payable in the amount \$52,631, with an original issue discount of \$2,632 in exchange for \$50,000. This note accrues interest at 8% per annum, payable monthly, and was originally due June 30, 2020, but the maturity date was extended to June 30, 2021. This note and accrued interest may convert into shares of common stock at \$7.50 per share any time at the holder's option or automatically upon a qualified financing of at least \$5 million at the lower of the conversion price then in effect or a 25% discount to the offering price. If this note, or any portion thereof, has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance plus any accrued and unpaid interest thereon, shall be amortized over the following thirty-six (36) months. This note was also issued with a detachable warrant to purchase 500 shares of stock at \$7.50 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$1,985.	52,631	-
<i>Convertible note 2020-04.</i> On March 16, 2020, the Company issued a convertible note payable in the amount \$250,000, with an original issue discount of \$20,000 in exchange for \$230,000. This note accrued interest at 10% per annum, payable at maturity, and was originally due September 16, 2020. This note was fully repaid as of May 14, 2020. Prior to repayment, this note and accrued interest were convertible into shares of common stock at the conversion price then in effect (initially \$4.50 per share, subject to adjustment) any time at the holder's option. A beneficial conversion feature was recognized as a result of the conversion price upon issuance being less than fair market value. The conversion price was subject to adjustment upon the issuance of the Company's common stock or securities convertible into common stock at a price per share less than the then prevailing conversion price, other than specified exempt issuances. 5,000 shares of common stock were issued as a commitment fee in connection with the purchase of this note and recognized as a debt issuance cost. 27,777 shares of common stock were also issued in connection with the purchase of this note and recognized as a debt issuance cost; however, these shares were subject to return if the note was fully repaid within 6 months of issuance and were therefore returned upon repayment. \$5,000 was paid for the holder's legal expenses in connection with the transaction and recognized as a debt issuance cost. The valuation of the conversion feature, debt issuance costs, and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$343,854 upon issuance. The discounts on this note and accumulated amortization of such discounts were eliminated upon repayment.	-	-

Cardax, Inc., and Subsidiary

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 9 – CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
<p><i>Convertible note 2020-05.</i> On March 16, 2020, the Company issued a convertible note payable in the amount \$250,000, with an original issue discount of \$20,000 in exchange for \$230,000. This note accrues interest at 10% per annum, payable at maturity, and was originally due September 16, 2020, but the maturity date was extended to October 31, 2020, and subsequently to December 31, 2020. The principal amount was increased by \$10,000 on August 10, 2020, as consideration for the extension to October 31, 2020. The Company agreed to pay an extension fee of \$15,000 as consideration for the extension to December 31, 2020. This note and accrued interest may convert into shares of common stock at the conversion price then in effect (initially \$4.50 per share, subject to adjustment) any time at the holder's option. A beneficial conversion feature was recognized as a result of the conversion price upon issuance being less than fair market value. The conversion price is subject to adjustment upon the issuance of the Company's common stock or securities convertible into common stock at a price per share less than the then prevailing conversion price, other than specified exempt issuances. 5,000 shares of common stock were issued as a commitment fee in connection with the purchase of this note and recognized as a debt issuance cost. 27,777 shares of common stock were also issued in connection with the purchase of this note and recognized as a debt issuance cost; however, these shares are subject to return if the note, as amended, is fully repaid by December 31, 2020. \$5,000 was withheld from the proceeds for the holder's legal expenses in connection with the transaction and recognized as a debt issuance cost. The valuation of the conversion feature, debt issuance costs, and intrinsic value of the beneficial conversion feature resulted in the recognition of discounts on this note equal to \$343,854. The amendment to this note on November 11, 2020, which extended the maturity date to December 31, 2020, was not considered a material modification under ASC 470-50-40, and as a result, is not considered an accounting extinguishment in the period the note was modified.</p>	260,000	-
<p><i>Convertible note 2020-06.</i> On May 14, 2020, the Company issued a convertible note payable in the amount \$500,000, with an original issue discount of \$40,000 in exchange for \$460,000. This note accrues interest at 10% per annum, payable at maturity, and matures on May 14, 2021. This note and accrued interest may convert into shares of common stock at the conversion price then in effect (initially \$9.75 per share, subject to adjustment) any time at the holder's option. The conversion price is subject to adjustment upon the issuance of the Company's common stock or securities convertible into common stock at a price per share less than the then prevailing conversion price, other than specified exempt issuances; accordingly, the adjusted conversion price was equal to \$4.50 per share as of September 30, 2020. 10,000 shares of common stock were issued as a commitment fee in connection with the purchase of this note and recognized as a debt issuance cost. \$10,000 was paid for the holder's legal expenses in connection with the transaction and recognized as a debt issuance cost. The valuation of the conversion feature and debt issuance costs resulted in the recognition of discounts on this note equal to \$230,158 based on the revaluation of such features upon adjustment of the conversion price in September 2020. The amendment to this note on November 4, 2020, which extended the period before the conversion price adjusts from a fixed price to a variable price at a discount to market and the period the Company may prepay the note without penalty or premium, was not considered a material modification under ASC 470-50-40, and as a result, is not considered an accounting extinguishment in the period the note was modified.</p>	500,000	-
<p><i>Convertible note 2020-07.</i> On July 21, 2020, the Company issued a convertible note payable in the amount \$100,000. This note accrues interest at 8% per annum, payable at maturity, and matures on June 30, 2021. This note and accrued interest may convert into shares of common stock (i) any time at the holder's option at a conversion price of \$5.00 per share, or (ii) automatically upon a qualified financing of at least \$5 million at a conversion price equal to the lower of \$5.00 per share or a 25% discount to the market price. The Company has the right to prepay this note without penalty or premium. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following thirty-six (36) months. This note also contains detachable warrants exercisable for 5 years to purchase 20,000 shares of common stock at \$7.50 per share and 20,000 shares of common stock at \$10.00 per share. The valuation of the detachable warrants resulted in the recognition of a discount on this note equal to \$105,800.</p>	100,000	-
<p><i>Convertible note 2020-08.</i> On July 30, 2020, the Company issued a convertible note payable in the amount \$25,000. This note accrues interest at 12% per annum, payable monthly, and was originally due September 30, 2020, but the maturity date was extended to December 31, 2020. This note and accrued interest may convert into shares of common stock any time at the holder's option at a conversion price of \$5.00 per share. The Company has the right to prepay this note without penalty or premium. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following thirty (30) months, as amended. This note also contains a detachable warrant exercisable for 5 years to purchase 250 shares of common stock at \$5.00 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$953.</p>	25,000	-

*Convertible note 2020-09.* On August 7, 2020, the Company issued a convertible note payable in the amount \$100,000. This note accrues interest at 8% per annum, payable at maturity, and matures on July 31, 2021. This note and accrued interest may convert into shares of common stock any time at the holder's option at a conversion price of \$5.00 per share. The Company may not prepay this note without the prior written consent of the holder. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following twenty-four (24) months. This note also contains detachable warrants exercisable for 5 years on a cash or cashless basis to purchase 20,000 shares of common stock at \$7.50 per share and 20,000 shares of common stock at \$10.00 per share. The valuation of the detachable warrants resulted in the recognition of a discount on this note equal to \$106,000.

100,000 -

*Convertible note 2020-10.* On September 8, 2020, the Company issued a convertible note payable in the amount \$15,000. This note accrues interest at 8% per annum, payable at maturity, and matures on June 30, 2021. This note and accrued interest may convert into shares of common stock any time at the holder's option at a conversion price of \$4.50 per share. The Company has the right to prepay this note without penalty or premium. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following thirty-six (36) months. This note also contains detachable warrants exercisable for 5 years to purchase 2,000 shares of common stock at \$7.50 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$5,300.

15,000 -

*Convertible note 2020-12.* On September 22, 2020, the Company issued a convertible note payable in the amount \$25,000. This note accrues interest at 8% per annum, payable monthly, and matures on June 30, 2021. This note and accrued interest may convert into shares of common stock any time at the holder's option at a conversion price of \$4.50 per share. The Company has the right to prepay this note without penalty or premium. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following thirty-six (36) months. This note also contains detachable warrants exercisable for 5 years to purchase 5,555 shares of common stock at \$4.50 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$11,499.

25,000 -

*Convertible note 2020-13.* On September 28, 2020, the Company issued a convertible note payable in the amount \$108,696 with an original issue discount of \$8,696 in exchange for \$100,000. This note accrues interest at 8% per annum, payable monthly, and matures on June 30, 2021. This note and accrued interest may convert into shares of common stock any time at the holder's option at a conversion price of \$4.50 per share. The Company has the right to prepay this note without penalty or premium. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following thirty-six (36) months. This note also contains detachable warrants exercisable for 5 years to purchase 24,155 shares of common stock at \$4.50 per share. The valuation of the detachable warrant resulted in the recognition of a discount on this note equal to \$50,001.

108,696 -

Cardax, Inc., and Subsidiary

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 9 – CONVERTIBLE NOTES PAYABLE (continued)

	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019
Total convertible notes payable	1,700,034	519,566
Less original issue discounts	<u>(114,262)</u>	<u>(29,566)</u>
Convertible notes payable, net	1,585,772	490,000
Less discounts for conversion rights, beneficial conversion features, debt issuance costs, and detachable warrants	(996,253)	(253,675)
Plus amortization of discounts	<u>627,688</u>	<u>121,964</u>
Total convertible notes payable, net	<u>\$ 1,217,207</u>	<u>\$ 358,289</u>

Discounts

Total discounts (original issue discounts plus discounts for conversion rights, beneficial conversion features, debt issuance costs, and detachable warrants) of \$1,110,515 are amortized using the interest method, which resulted in amortization recorded as interest expense of \$224,670 and \$1,065,943 for the three and nine-months ended September 30, 2020, with total accumulated amortization equal to \$627,688 as of September 30, 2020.

Modifications

In February 2020, the Company adjusted the conversion price of a convertible note payable in accordance with its terms, which triggered modification accounting and resulted in a gain of \$95,888.

On June 30, 2020, the Company extended the maturity dates of certain convertible notes payable as described in the table above. In conjunction with these extensions, management compared the present values of these notes prior to the extension and after the extension in accordance with FASB ASC No. 470-50, Debt Modifications and Extinguishments, noting that the change in present value was less than 10%. As such, these notes were determined to not be substantially different and no changes in values were recognized.

In September 2020, the Company adjusted the conversion price of a convertible note payable in accordance with its terms, which triggered modification accounting and resulted in a gain of \$40,133.

Interest expense

The Company incurred interest charges on these convertible notes payable of \$37,418 and \$4,496 during the three-months ended September 30, 2020 and 2019, respectively. The Company incurred interest charges on these convertible notes payable of \$101,850 and \$7,537 during the nine-months ended September 30, 2020 and 2019, respectively. The aggregate amount of accrued and unpaid interest on these convertible notes payable was \$39,392 and \$7,537 as of September 30, 2020 and 2019, respectively.

Maturities

Future maturities of these convertible notes payable are as follows as of September 30:

2021	<u>\$ 1,700,034</u>
	<u>\$ 1,700,034</u>

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 10 – DERIVATIVE FINANCIAL INSTRUMENTS

The Company has identified the embedded derivatives related to the convertible notes described in Notes 8 and 9. These embedded derivatives included certain conversion and reset features. The accounting treatment of derivative financial instruments requires that the Company record fair value of these derivative liabilities as of the inception date of those convertible notes and each subsequent reporting date.

The Company estimates the fair value of these derivative liabilities using the Black-Scholes valuation model. The initial value is used in the determination of a note discount with each subsequent change in fair value as a component of operations. The range of fair value assumptions used for derivative financial instruments during the nine-months ended September 30, 2020, were as follows:

Dividend yield	0.0%
Risk-free rate	0.12% - 1.43%
Volatility	162% - 190%
Expected term	1 year

The expected dividend yield is zero, because the Company does not anticipate paying a dividend within the relevant timeframe. The risk-free interest rate used is based on the U.S. Treasury constant maturity rate in effect at the time of valuation for the expected term of the derivative liabilities to be valued. The expected volatility is calculated based on the historical volatility of the Company.

For the nine-months ended September 30, 2020, the Company recognized total derivative liabilities and convertible note discounts based on their fair value at the convertible notes' inception and/or adjustment dates. These derivative liabilities were subsequently revalued at \$649,417 as of September 30, 2020, which resulted in a loss of \$191,545 on the change in value of these derivative liabilities. During the nine-months ended September 30, 2020, derivative liabilities of \$458,977 were eliminated upon repayment of outstanding convertible notes, which were recorded as adjustments to additional paid in capital.

The following table presents the three-level hierarchy prescribed by U.S. GAAP for derivative liabilities since it is a liability that is measured and recognized at fair value on a recurring basis as of:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Change in fair value</u>
December 31, 2019	\$ -	\$ -	\$ 827,314	\$ (356,314)
September 30, 2020	\$ -	\$ -	\$ 649,417	\$ (191,545)

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 11 – STOCKHOLDERS’ DEFICIT

Reverse stock split

On January 15, 2020, the Company effected a 200-for-1 reverse stock split (the “Reverse Stock Split”) of its issued and outstanding shares of common stock. The Reverse Stock Split did not change the number of shares of common stock authorized for issuance, the par value of the common stock, or any other terms of the common stock. No fractional shares were issued in the Reverse Stock Split and any remaining share fractions were rounded up to the next whole share. Under the terms and conditions of outstanding options, warrants, and other convertible securities, the number of underlying shares of common stock and the exercise prices or conversion prices thereof were proportionately adjusted for the Reverse Stock Split. All share and per share amounts reported in the condensed consolidated financial statements reflect the Reverse Stock Split.

Self-directed stock issuance 2019

During the year ended December 31, 2019, the Company sold securities in a self-directed offering to existing stockholders of the Company in the aggregate amount of \$245,000, respectively, at \$60 per unit. Each \$60 unit consisted of 2 shares of restricted common stock (8,169 shares) and a five-year warrant to purchase 1 share of restricted common stock (4,085 warrant shares) at \$40 per share.

Shares outstanding

As of September 30, 2020, and December 31, 2019, the Company had a total of 765,154 and 687,564 shares of common stock outstanding, respectively.

NOTE 12 – STOCK GRANTS

Stock grants to convertible note holders

During the nine-months ended September 30, 2020, the Company granted convertible note holders an aggregate of 81,409 shares of restricted common stock. 25,855 shares were issued as consideration for commitment fees, 27,777 shares issued are returnable if the note is fully repaid by maturity, and 27,777 shares issued were cancelled in accordance with the terms of issuance as the debt was repaid.

An additional 6,250 shares were issued as consideration for extension fees.

Director stock grants

During the nine-months ended September 30, 2020, the Company granted its independent directors an aggregate of 17,708 shares of restricted common stock, which were fully vested upon issuance. The expense recognized for these grants based on the fair value on the grant date was \$56,250. Effective as of the quarter ended March 31, 2020, certain independent directors elected to receive compensation in the form of warrants rather than stock.

During the year ended December 31, 2019, the Company granted its independent directors an aggregate of 11,054 shares of restricted common stock, which were fully vested upon issuance. The expense recognized for these grants based on the fair value on the grant date was \$350,000.

Consultant stock grants

During the nine-months ended September 30, 2020, the Company did not grant consultants any stock and accordingly did not recognize any related expense.

During the year ended December 31, 2019, the Company granted consultants an aggregate of 750 shares of restricted common stock, which were fully vested upon issuance. The expense recognized for these grants based on the fair value on the grant date was \$16,650.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 13 – STOCK OPTION PLANS

On February 7, 2014, the Company adopted the 2014 Equity Compensation Plan. Under this plan, the Company may issue options to purchase shares of common stock to employees, directors, advisors, and consultants. The aggregate number of shares reserved under this plan upon adoption was 152,101. On April 16, 2015, the majority stockholder of the Company approved an increase in the shares reserved under this plan by 75,000 shares. On December 4, 2018, the stockholders of the Company approved an increase in the shares reserved under this plan by an additional 25,000 shares and authorized the annual increase of the shares reserved under this plan on January 1st of each year, at the discretion of the Board of Directors, by up to such number of shares that is equal to four percent (4%) of the shares of common stock issued and outstanding as of December 31st of the previous calendar year. Accordingly, effective as of January 1, 2020, the shares reserved under this plan were increased by 27,000 shares. An aggregate of 279,101 shares of common stock were reserved for issuance under this plan as of September 30, 2020.

Under the terms of the 2014 Equity Compensation Plan and the 2006 Stock Incentive Plan (collectively, the “Plans”), incentive stock options may be granted to employees at a price per share not less than 100% of the fair market value at date of grant. If the incentive stock option is granted to a 10% stockholder, then the purchase or exercise price per share shall not be less than 110% of the fair market value per share of common stock on the grant date. Non-statutory stock options and restricted stock may be granted to employees, directors, advisors, and consultants at a price per share, not less than 100% of the fair market value at date of grant. Options granted are exercisable, unless specified differently in the grant documents, over a default term of ten years from the date of grant and generally vest over a period of four years.

A summary of stock option activity is as follows:

	Options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
Outstanding January 1, 2019	202,537	\$ 80.13	4.52	\$ 987,064
Exercisable January 1, 2019	185,837	\$ 82.13	4.10	\$ 967,064
Canceled	(291)			
Granted	-			
Exercised	-			
Expired	-			
Outstanding December 31, 2019	202,246	\$ 80.14	3.52	\$ -
Exercisable December 31, 2019	192,108	\$ 81.32	3.26	\$ -
Canceled	-			
Granted	-			
Exercised	-			
Expired	(30,277)			
Outstanding September 30, 2020	171,969	\$ 84.80	3.30	\$ -
Exercisable September 30, 2020	165,212	\$ 85.99	3.12	\$ -

The aggregate intrinsic value in the table above is before applicable income taxes and represents the excess amount over the exercise price option recipients would have received if all options had been exercised on September 30, 2020, based on a valuation of the Company’s stock for that day.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 13 – STOCK OPTION PLANS (continued)

A summary of the Company's non-vested options for the nine-months ended September 30, 2020, and year ended December 31, 2019, are presented below:

Non-vested at January 1, 2019	16,700
Granted	-
Vested	(6,271)
Canceled	(291)
Non-vested at December 31, 2019	10,138
Granted	-
Vested	(3,381)
Canceled	-
Non-vested at September 30, 2020	6,757

Option valuation

The Company estimates the fair value of stock options granted on each grant date using the Black-Scholes valuation model and recognizes an expense ratably over the requisite service period. The expected dividend yield is zero, because the Company does not anticipate paying a dividend within the relevant timeframe. The risk-free interest rate used is based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the stock options to be valued. The expected volatility is calculated based on the historical volatility of the Company. Due to a lack of historical information needed to estimate the Company's expected term, it is estimated using the simplified method allowed. The Company records forfeitures as they occur and reverses compensation cost previously recognized, in the period the award is forfeited, for an award that is forfeited before completion of the requisite service period.

During the nine-months ended September 30, 2020, and the year ended December 31, 2019, no options were granted.

Stock-based compensation expense

The Company recognized stock-based compensation expense related to options during the:

	Nine-months ended September 30	
	2020	2019
	Amount	Amount
Service provider compensation	\$ 88,125	\$ 133,125
Employee compensation	119,062	124,750
Total	\$ 207,187	\$ 257,875

Option expiration

During the nine-months ended September 30, 2020, options to purchase an aggregate of 30,777 shares of common stock expired. During the year ended December 31, 2019, no options expired.



NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 14 – WARRANTS

The following is a summary of the Company's warrant activity:

	Warrants	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic value
Outstanding January 1, 2019	590,340	\$ 40.65	2.32	\$ 7,846,743
Exercisable January 1, 2019	590,340	\$ 40.65	2.32	\$ 7,846,743
Canceled	-			
Granted	20,985			
Exercised	-			
Expired	(94,577)			
Outstanding December 31, 2019	516,748	\$ 24.60	1.86	\$ -
Exercisable December 31, 2019	516,748	\$ 24.60	1.86	\$ -
Canceled	-			
Granted	198,849			
Exercised	-			
Expired	(83,719)			
Outstanding September 30, 2020	631,878	\$ 18.33	3.08	\$ 25,686
Exercisable September 30, 2020	631,878	\$ 18.33	3.08	\$ 25,686

Warrant valuation

The Company estimates the fair value of warrants granted on each grant date using the Black-Scholes valuation model. The range of fair value assumptions related to warrants issued were as follows for the:

	Nine-months ended September 30, 2020	Year ended December 31, 2019
Dividend yield	0.0%	0.0%
Risk-free rate	0.13% – 1.55%	1.34% – 2.37%
Volatility	143% – 207%	145% – 168%
Expected term	2 – 5 years	2 – 2.5 years

The expected dividend yield is zero, because the Company does not anticipate paying a dividend within the relevant timeframe. The risk-free interest rate used is based on the U.S. Treasury constant maturity rate in effect at the time of grant for the expected term of the warrants to be valued. The expected volatility is calculated based on the historical volatility of the Company. Due to a lack of historical information needed to estimate the Company's expected term, it is estimated using the simplified method allowed.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 14 – WARRANTS (continued)

Convertible note warrants

During the nine-months ended September 30, 2020, warrants to purchase 125,893 shares of common stock at \$4.50 to \$10.00 per share were issued in connection with the issuance of convertible notes. During the year ended December 31, 2019, warrants to purchase 16,900 shares of common stock at \$14 to \$40 per share were issued in connection with the issuance of convertible notes. These warrants were immediately vested and expire in five years. The value of the warrants was recorded as a discount on the convertible notes in the aggregate amount of \$370,351 and \$125,545 during the nine-months ended September 30, 2020, and the year ended December 31, 2019, respectively.

Director warrant grants

During the nine-months ended September 30, 2020, the Company granted its independent directors warrants as follows:

<u>Date of Grant</u>	<u>Warrants</u>	<u>Exercise Price</u>
March 31, 2020	12,756	\$ 6.00
June 30, 2020	34,248	\$ 2.25
September 30, 2020	25,952	\$ 3.00

These warrants were immediately vested and expire in ten years. During the nine-months ended September 30, 2020, the Company recognized stock-based compensation expense related to these warrants in the aggregate amount of \$225,000.

During the year ended December 31, 2019, the Company did not recognize any stock-based compensation expense related to warrants.

Warrant expiration

During the nine-months ended September 30, 2020, warrants to purchase an aggregate of 83,719 shares of common stock expired. During the year ended December 31, 2019, warrants to purchase an aggregate of 94,577 shares of common stock expired.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 15 – INCOME TAXES

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based upon the difference between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

The effective tax rate for the three and nine-months ended September 30, 2020 and 2019, differs from the statutory rate of 21% as a result of state taxes (net of Federal benefit), permanent differences, and a reserve against deferred tax assets.

The Company's valuation allowance was primarily related to the operating losses. The valuation allowance is determined in accordance with the provisions of ASC No. 740, *Income Taxes*, which requires an assessment of both negative and positive evidence when measuring the need for a valuation allowance. Based on the available objective evidence and the Company's history of losses, management provides no assurance that the net deferred tax assets will be realized. As of September 30, 2020, and December 31, 2019, the Company has applied a valuation allowance against its deferred tax assets net of the expected income from the reversal of the deferred tax liabilities.

Uncertain tax positions

The Company is subject to taxation in the United States and three state jurisdictions. The preparation of tax returns requires management to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid by the Company. Management, in consultation with its tax advisors, files its tax returns based on interpretations that are believed to be reasonable under the circumstances. The income tax returns, however, are subject to routine reviews by the various taxing authorities. As part of these reviews, a taxing authority may disagree with respect to the tax positions taken by management ("uncertain tax positions") and therefore may require the Company to pay additional taxes.

Management evaluates the requirement for additional tax accruals, including interest and penalties, which the Company could incur as a result of the ultimate resolution of its uncertain tax positions. Management reviews and updates the accrual for uncertain tax positions as more definitive information becomes available from taxing authorities, completion of tax audits, expiration of statute of limitations, or upon occurrence of other events.

As of September 30, 2020, and December 31, 2019, there was no liability for income tax associated with unrecognized tax benefits. The Company recognizes accrued interest related to unrecognized tax benefits as well as any related penalties in interest income or expense in its condensed consolidated statements of operations, which is consistent with the recognition of these items in prior reporting periods.

The federal and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

## NOTE 16 – BASIC AND DILUTED NET LOSS PER SHARE

The following table sets forth the computation of the Company's basic and diluted net loss per share for:

	Three-months ended September 30, 2020		
	<i>(Unaudited)</i>		
	Net Loss (Numerator)	Shares (Denominator)	Per share amount
Basic loss per share	\$ (1,354,331)	755,847	\$ (1.79)
Effect of dilutive securities—Common stock options, warrants, and convertible notes	-	-	-
Diluted loss per share	\$ (1,354,331)	755,847	\$ (1.79)
	Three-months ended September 30, 2019		
	<i>(Unaudited)</i>		
	Net Loss (Numerator)	Shares (Denominator)	Per share amount
Basic loss per share	\$ (1,433,626)	683,731	\$ (2.10)
Effect of dilutive securities—Common stock options, warrants, and convertible notes	-	-	-
Diluted loss per share	\$ (1,433,626)	683,731	\$ (2.10)
	Nine-months ended September 30, 2020		
	<i>(Unaudited)</i>		
	Net Loss (Numerator)	Shares (Denominator)	Per share amount
Basic loss per share	\$ (4,057,541)	736,719	\$ (5.51)
Effect of dilutive securities—Common stock options, warrants, and convertible notes	-	-	-
Diluted loss per share	\$ (4,057,541)	736,719	\$ (5.51)
	Nine-months ended September 30, 2019		
	<i>(Unaudited)</i>		
	Net Loss (Numerator)	Shares (Denominator)	Per share amount
Basic loss per share	\$ (3,650,740)	678,108	\$ (5.38)
Effect of dilutive securities—Common stock options, warrants, and convertible notes	-	-	-
Diluted loss per share	\$ (3,650,740)	678,108	\$ (5.38)

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share for the periods presented because including them would have been antidilutive for the periods ended:

	September 30, 2020	September 30, 2019
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Common stock underlying convertible notes	549,527	47,012
Common stock underlying options	171,969	202,246
Common stock underlying warrants	631,878	513,875
Total common stock equivalents	1,353,374	763,133

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 17 – LEASES

Office lease

The Company entered into an automatically renewable month-to-month lease for office space on August 13, 2010. Under the terms of this lease, the Company must provide a written notice 45 days prior to vacating the premises. Total rent expense under this agreement as amended was \$9,253 and \$27,231 for the three and nine-months ended September 30, 2020, respectively, and \$8,989 and \$27,188 for the three and nine-months ended September 30, 2019, respectively.

Fleet lease

In January 2018, the Company entered into a vehicle lease arrangement with a rental company for three vehicles. The terms of the leases require monthly payments of \$1,619 for three years. These leases convert to month-to-month leases in January 2021 unless terminated. The Company terminated one lease in August of 2019, which reduced the monthly payments to \$1,002. Total lease expense under this agreement was \$3,710 and \$11,237 for the three and nine-months ended September 30, 2020, respectively, and \$4,964 and \$16,520 for the three and nine-months ended September 30, 2019, respectively.

Right-to-use leased asset and liability

As a result of the adoption of ASU No. 2016-02, *Leases*, on January 1, 2019, the Company recognized a right-to-use leased asset and liability for the Fleet Leases. The balance of this right-to-use asset and liability was \$3,843 as of September 30, 2020.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (continued)

NOTE 18 – SUBSEQUENT EVENTS

The Company evaluated all material events through the date the financials were ready for issuance and identified the following for additional disclosure.

Note payable

On October 8, 2020, the Company fully repaid the \$25,000 promissory note issued June 29, 2020.

On November 6, 2020, the Company issued a related party note payable in the amount \$94,000. The note holder is a current stockholder that beneficially owns more than 5% of the Company's common stock. The note had an issuance fee of \$4,000 and a one-time interest charge of \$2,000, which are due and payable upon the maturity date of December 6, 2020.

Convertible notes payable

On October 8, 2020, the Company issued a convertible note payable in the amount \$60,000. This note accrues interest at 8% per annum, payable monthly, and matures on September 30, 2021. This note and accrued interest may convert into shares of common stock any time at the holder's option at a conversion price of \$4.50 per share. The Company has the right to prepay this note without penalty or premium. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following thirty-six (36) months. This note also contains a detachable warrant exercisable for 5 years to purchase 13,333 shares of common stock at \$4.50 per share.

On October 8, 2020, the Company issued a convertible note payable in the amount \$20,000. This note accrues interest at 8% per annum, payable monthly, and matures on September 30, 2021. This note and accrued interest may convert into shares of common stock any time at the holder's option at a conversion price of \$4.50 per share. The Company has the right to prepay this note without penalty or premium. If this note has not been repaid or converted in full on or prior to the maturity date, then repayment of the unpaid principal balance shall be amortized over the following thirty-six (36) months. This note also contains a detachable warrant exercisable for 5 years to purchase 4,444 shares of common stock at \$4.50 per share.

On November 4, 2020, an amendment to the convertible note payable issued May 14, 2020, in the original principal amount of \$500,000, extended the period before the conversion price adjusts from a fixed price to a variable price at a discount to market and the period the Company may prepay the note without penalty or premium, to seven (7) months following issuance (December 14, 2020), with payment of an extension fee of \$25,000 on November 9, 2020, and to eight (8) months following issuance (January 14, 2021), with payment of an additional extension fee of \$25,000 by December 14, 2020. All other terms remain unchanged. The amendment to this note was not considered a material modification under ASC 470-50-40, and as a result, is not considered an accounting extinguishment in the period the note was modified.

On November 10, 2020, an amendment to the convertible note payable issued January 21, 2020, in the original principal amount of \$262,500, extended the maturity date to December 15, 2020. The note holder also agreed not to exercise its conversion rights, provided the note is fully repaid by December 15, 2020. As consideration for the extension, the Company paid an extension fee of \$25,000. All other terms remain unchanged. The amendment to this note was considered a material modification under ASC 470-50-40, and as a result, is considered an accounting extinguishment in the period the note was modified.

On November 11, 2020, an amendment to the convertible note payable issued March 16, 2020, in the original principal amount of \$250,000, extended the maturity date to December 31, 2020. The amendment also provided that the 27,777 shares of common stock issued in connection with the purchase of the note shall be subject to return if the note is fully repaid by December 31, 2020. As consideration for the extension, the Company agreed to pay an extension fee of \$15,000 (\$7,500 by November 13, 2020, and \$7,500 by December 1, 2020). All other terms remain unchanged. The amendment to this note was not considered a material modification under ASC 470-50-40, and as a result, is not considered an accounting extinguishment in the period the note was modified.

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## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

### Explanatory Note

Unless otherwise noted, references in this Quarterly Report on Form 10-Q to "Cardax," the "Company," "we," "our," or "us" means Cardax, Inc., the registrant, and, unless the context otherwise requires, together with its wholly-owned subsidiary, Cardax Pharma, Inc., a Delaware corporation ("Pharma"), and Pharma's predecessor, Cardax Pharmaceuticals, Inc., a Delaware corporation ("Holdings"), which merged with and into Cardax, Inc., on December 30, 2015.

Unless otherwise noted, references in this Quarterly Report on Form 10-Q to our "product" or "products" includes our dietary supplements, pharmaceutical candidates, and any of our other current or future products, product candidates, and technologies, to the extent applicable.

### Corporate Overview and History

We are a development stage biopharmaceutical company primarily focused on the development of pharmaceuticals for chronic diseases driven by inflammation. We also have a commercial business unit that markets dietary supplements for inflammatory health. CDX-101, our astaxanthin pharmaceutical candidate, is being developed for cardiovascular inflammation and dyslipidemia, with a target initial indication of severe hypertriglyceridemia. CDX-301, our zeaxanthin pharmaceutical candidate, is being developed for macular degeneration. Our pharmaceutical candidates are currently in pre-clinical development, including the planning of IND enabling studies. ZanthoSyn® is a physician recommended astaxanthin dietary supplement for inflammatory health. We sell ZanthoSyn® primarily through wholesale and e-commerce channels. The safety and efficacy of our products have not been directly evaluated in clinical trials or confirmed by the FDA.

At present we are not able to estimate if or when we will be able to generate sustained revenues. Our financial statements have been prepared assuming that we will continue as a going concern; however, given our recurring losses from operations, our independent registered public accounting firm has determined there is substantial doubt about our ability to continue as a going concern.

#### *Impact of COVID-19*

The COVID-19 pandemic is a worldwide health crisis that is adversely affecting the economies and financial markets of many countries and may have short-term and long-term adverse effects on our business, financial condition, and results of operations that cannot be predicted as the global pandemic continues to evolve. Our sales, receivables, and access to financing, have been adversely affected during the pandemic.

## Results of Operations

*Results of Operations for the Three and Nine-Months Ended September 30, 2020 and 2019:*

The following table reflects our operating results for the three and nine-months ended September 30, 2020 and 2019:

Operating Summary	Three-months ended September 30, 2020	Three-months ended September 30, 2019	Nine-months ended September 30, 2020	Nine-months ended September 30, 2019
Revenues, net	\$ 66,502	\$ 229,142	\$ 343,836	\$ 439,505
Cost of Goods Sold	(27,516)	(120,818)	(129,381)	(254,479)
Gross Profit	38,986	108,324	214,455	185,026
Operating Expenses	(744,746)	(1,300,035)	(2,615,278)	(3,540,412)
Net Operating Loss	(705,760)	(1,191,711)	(2,400,823)	(3,355,386)
Other Expenses, net	(648,571)	(241,915)	(1,656,718)	(295,354)
Net Loss	\$ (1,354,331)	\$ (1,433,626)	\$ (4,057,541)	\$ (3,650,740)

### *Operating Summary for the Three-Months Ended September 30, 2020 and 2019*

Our revenues presently derive from the sale of ZanthoSyn® primarily through wholesale and, to a lesser extent, e-commerce channels. We launched our e-commerce channel in 2016 and began selling to GNC stores in 2017. ZanthoSyn® is available at GNC corporate stores nationwide. As a result, revenues were \$66,502 and \$229,142 for the three-months ended September 30, 2020 and 2019, respectively. Costs of goods sold were \$27,516 and \$120,818 for the three-months ended September 30, 2020 and 2019, respectively, and included costs of the product, shipping and handling, sales taxes, merchant fees, and other costs incurred on the sale of goods. Gross profits were \$38,986 and \$108,324 for the three-months ended September 30, 2020 and 2019, respectively, which represented gross profit margins of approximately 59% and 47%, respectively. The decreases in revenues and gross profit were primarily attributed to decreased sales, which we believe were related to the COVID-19 pandemic and GNC's Chapter 11 reorganization.

Operating expenses were \$744,746 and \$1,300,035 for the three-months ended September 30, 2020 and 2019, respectively. Operating expenses primarily consisted of services provided to the Company, including payroll, consultation, and contract services, for research and development, including our clinical trial and pharmaceutical development programs, sales and marketing, and administration. These expenses were paid in accordance with agreements entered with each employee or service provider. Included in operating expenses were \$144,062 and \$175,712 in stock-based compensation for the three-months ended September 30, 2020 and 2019, respectively. The decrease in operating expenses was primarily attributed to decreased professional fees, research and development, salaries and wages, and selling, general, and administrative expenses.

Other expenses, net, were \$648,571 and \$241,915 for the three-months ended September 30, 2020 and 2019, respectively. For the three-months ended September 30, 2020, other income (expenses), consisted of a change in fair value of derivative liability of \$(268,711), gain on modification of debt instruments of \$40,133, and interest expense of \$(419,993). The interest expense was primarily attributed to amortization of non-cash discounts associated with debt issuances. For the three-months ended September 30, 2019, other income (expenses) consisted of the change in the fair value of a derivative liability of \$(20,524), loss on abandonment of patents of \$(36,205), and interest expense of \$(185,186).



*Operating Summary for the Nine-Months Ended September 30, 2020 and 2019*

Our revenues were \$343,836 and \$439,505 for the nine-months ended September 30, 2020 and 2019, respectively. Costs of goods sold were \$129,381 and \$254,479 for the nine-months ended September 30, 2020 and 2019, respectively, and included costs of the product, shipping and handling, sales taxes, merchant fees, and other costs incurred on the sale of goods. Gross profits were \$214,455 and \$185,026 for the nine-months ended September 30, 2020 and 2019, respectively, which represented gross profit margins of approximately 62% and 42%, respectively. The decrease in revenues was primarily attributed to decreased sales, which we believe were related to the COVID-19 pandemic and GNC's Chapter 11 reorganization. The increase in gross profit was primarily attributed to decreased GNC promotional discounts, incentives, and returns.

Operating expenses were \$2,615,278 and \$3,540,412 for the nine-months ended September 30, 2020 and 2019, respectively. Operating expenses primarily consisted of services provided to the Company, including payroll, consultation, and contract services, for research and development, including our clinical trial and pharmaceutical development programs, sales and marketing, and administration. These expenses were paid in accordance with agreements entered with each employee or service provider. Included in operating expenses were \$488,437 and \$534,774 in stock-based compensation for the nine-months ended September 30, 2020 and 2019, respectively. The decrease in operating expenses was primarily attributed to decreased professional fees, research and development, salaries and wages, and selling, general, and administrative expenses.

Other expenses, net, were \$1,656,718 and \$295,354 for the nine-months ended September 30, 2020 and 2019, respectively. For the nine-months ended September 30, 2020, other income (expenses), consisted of a change in fair value of derivative liability of \$(191,545), gain on modification of debt instruments of \$394,924, other income of \$10,000, and interest expense of \$(1,870,097). The interest expense was primarily attributed to amortization of non-cash discounts associated with debt issuances. For the nine-months ended September 30, 2019, other income (expenses) consisted of the change in the fair value of a derivative liability of \$(3,139), loss on abandonment of patents of \$(36,205), and interest expense of \$(256,010).

## Liquidity and Capital Resources

Since our inception, we have sustained operating losses and have used cash raised by issuing securities. We expect to continue to operate with a net loss until we are able to develop and commercialize our pharmaceutical product candidates. During the nine-months ended September 30, 2020 and 2019, we used cash in operating activities in the amount of \$1,406,791 and \$3,047,889, respectively, and incurred net losses of \$4,057,541 and \$3,650,740, respectively. The decrease in cash used in operating activities for the nine-months ended September 30, 2020, primarily related to a combination of decreased operating expenses and increased accruals for accounts payable and accrued payroll.

Our existing liquidity is not sufficient to fund our operations, including payroll, anticipated capital expenditures, working capital, and other financing requirements for the foreseeable future. We may require more financing than anticipated, especially if we experience downturns or cyclical fluctuations in our business that are more severe or longer than anticipated, or if we experience significant increases in the cost of manufacturing, research and development, or sales and marketing activities, or increases in our expense levels resulting from being a publicly-traded company.

Our working capital and capital requirements at any given time depend upon numerous factors, including, but not limited to:

- revenues from the sale of any products or licenses;
- costs of production, marketing and sales capabilities, or other operating expenses; and
- costs of research, development, and commercialization of our products and technologies.

Our largest customer, GNC, filed for Chapter 11 reorganization under the U.S. Bankruptcy Code on June 23, 2020. As of September 30, 2020, we provided an allowance of \$52,766 for our receivables from GNC. On October 7, 2020, GNC announced it had emerged from bankruptcy as GNC Holdings, LLC, a Delaware company, owned indirectly by Harbin Pharmaceutical Group Co., Ltd., a Chinese pharmaceutical company (“Harbin”), through its wholly-owned subsidiary, ZT Biopharmaceutical LLC, a Delaware company. Harbin was previously GNC’s largest stockholder and acquired the company for approximately \$770 million according to public reports. GNC orders of ZanthoSyn® have resumed, but we cannot predict the extent of the impact that GNC’s reorganization will have on our future sales and receivables.

We have undertaken certain actions regarding the advancement of our pharmaceutical development program, the conduct of a dietary supplement clinical trial, and the continued sales and marketing of our commercial dietary supplement. We plan to fund such activities, including compensation to service providers, with a combination of cash and equity payments. The amount of payments in cash and equity will be determined by us from time to time.

We will incur ongoing recurring expenses associated with professional fees for accounting, legal, and other expenses for annual reports, quarterly reports, proxy statements, and other filings under the Exchange Act. We estimate that these costs will likely be in excess of \$250,000 per year. These obligations will reduce our ability and resources to fund other aspects of our business. We hope to be able to use our status as a public company to increase our ability to use non-cash means of settling obligations and compensate certain independent contractors who provide professional services to us, although there can be no assurances that we will be successful in any of those efforts.

We require additional financing in order to continue to fund our operations and to pay existing and future liabilities and other obligations.

During the nine-months ended September 30, 2020 and 2019, we raised \$2,101,300 and \$2,870,000, respectively. During the nine-months ended September 30, 2020, the amounts were raised through the issuance of \$1,590,000 in convertible notes payable, \$250,000 in a related party convertible note payable, \$211,300 in a forgivable note payable, \$25,000 in a note payable, and \$25,000 in a note payable to a related party. During the nine-months ended September 30, 2019, the amounts were raised through the issuance of \$245,000 in common stock, \$1,575,000 in notes payable to related parties, \$750,000 in a convertible note payable to a related party, and \$300,000 in convertible notes payable. In accordance with U.S. GAAP, derivative liabilities of \$649,417 and \$827,314 were recognized in connection with convertible notes outstanding as of September 30, 2020 and December 31, 2019, respectively; however, these are non-cash amounts and do not directly impact our liquidity or capital needs.

We filed a registration statement on Form S-1 on August 14, 2019, as amended September 27, 2019, and November 22, 2019, for a proposed \$15 million public offering of our common stock and warrants and the listing of our common stock and such warrants on the Nasdaq Capital Market (the "Proposed Public Offering"). We would use the proceeds from any Proposed Public Offering primarily to fund pharmaceutical development and our operations. After giving effect to the net proceeds that we would receive from the Proposed Public Offering, if closed, we expect to have sufficient cash resources to support our expected operations for at least one year. Notwithstanding the uncertain market conditions related to COVID-19, we plan to continue to pursue the Proposed Public Offering. We cannot give any assurance that the Proposed Public Offering will be consummated on acceptable terms, or at all. In addition, prior to any closing of the Proposed Public Offering, we will need to obtain additional financing, which may not be available on acceptable terms and conditions, or at all.

As of the date hereof, we have outstanding promissory notes that are (i) due in the 2020 calendar year in the aggregate principal amount of \$526,968, of which the full amount has terms for conversion and/or repayment amortization, (ii) due in the 2021 calendar year in the aggregate principal amount of \$3,232,414, of which \$2,657,414 has terms for conversion and/or repayment amortization, and (iii) due in the 2022 calendar year in the aggregate principal amount of \$1,211,300, of which \$211,300 has terms for forgiveness and otherwise for repayment amortization starting in November 2020. Our ability to repay any and all of these notes as they become due if not otherwise repaid or converted on or prior to the maturity dates described above is uncertain and will be based on our ability to raise additional capital, generate additional revenues, and/or modify the terms of such debt instruments to the extent necessary.

We need additional capital to fund our operations and pay our current and future obligations, including without limitation our outstanding promissory notes; however, our ability to access the capital markets or otherwise raise such capital is unknown during the COVID-19 pandemic and there can be no assurance that we will be able to obtain sufficient amounts of capital as and when needed. Any additional financing in one or more transactions through the private placement of our common stock, warrants to purchase our common stock, debt, and/or convertible securities prior to any closing of the Proposed Public Offering or as an alternative thereto may not be available to us on acceptable terms and conditions, or at all.

Our stockholders may be diluted upon the exercise or conversion of our outstanding warrants, options, and convertible notes, including as previously disclosed, certain of our outstanding notes that have rights to convert into shares of our common stock upon certain dates or events at prices that may cause substantial dilution.

In July 2020, we submitted a grant application to a federal government agency to fund a proposed clinical trial with one of our astaxanthin products in COVID-19 patients. In December 2020 or January 2021, we expect to submit an updated grant application to address the comments received from the agency's reviewers. We are also pursuing other governmental and non-governmental sources of funding for COVID-19 clinical trials. If awarded, any such grant funding would provide non-dilutive capital, but we cannot give any assurance that we will receive any grant funding or the amount or timing or extent of restrictions thereof or our obligations related thereto.

Any inability to obtain additional financing will materially and adversely affect us, including requiring us to significantly curtail or cease business operations altogether. We cannot give any assurance that we will in the future be able to achieve a level of profitability from the sale of existing or future products or otherwise to sustain our operations. These conditions raise substantial doubt about our ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on recoverability and reclassification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

The following is a summary of our cash flows provided by (used in) operating, investing, and provided by financing activities during the periods indicated:

Cash Flow Summary	Nine-months ended September 30, 2020	Nine-months ended September 30, 2019
Net Cash Used in Operating Activities	\$ (1,406,791)	\$ (3,047,889)
Net Cash Used in Investing Activities	(12,399)	(58,394)
Net Cash Provided by Financing Activities	<u>1,507,072</u>	<u>2,870,000</u>
Net Cash Increase (Decrease) for Period	87,882	(236,283)
Cash at Beginning of Period	19,303	243,753
Cash at End of Period	<u>\$ 107,185</u>	<u>\$ 7,470</u>

*Cash Flows from Operating Activities*

During the nine-months ended September 30, 2020 and 2019, our operating activities primarily consisted of receipts and receivables from sales and payments or accruals for employees, directors, and consultants for services related to administration, sales and marketing, and research and development. The decrease in cash used in operating activities for the nine-months ended September 30, 2020, primarily related to a combination of decreased operating expenses and increased accruals for accounts payable and accrued payroll.

*Cash Flows from Investing Activities*

During the nine-months ended September 30, 2020 and 2019, our investing activities were related to expenditures on patents.

*Cash Flows from Financing Activities*

During the nine-months ended September 30, 2020 and 2019, our financing activities consisted of transactions in which we raised proceeds through the issuance of debt or equity securities. During the nine-months ended September 30, 2020, we raised proceeds from the issuance of convertible notes payable in the aggregate amount of \$1,590,000, the issuance of a related party convertible note payable in the amount of \$250,000, the issuance of a forgivable note payable in the amount of \$211,300, the issuance of a note payable in the amount of \$25,000, and the issuance of a related party note payable in the amount of \$25,000, we repaid outstanding convertible notes payable in the aggregate amount of \$529,228 and an outstanding note payable in the amount of \$25,000, and we paid debt issuance costs in the aggregate amount of \$40,000. During the nine-months ended September 30, 2019, we raised proceeds from the issuance of common stock in the aggregate amount of \$245,000, the issuance of related party notes payable in the aggregate amount of \$1,575,000, the issuance of a convertible note payable to a related party in the amount of \$750,000, and the issuance of convertible notes payable in the aggregate amount of \$300,000.

**Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a smaller reporting company, we are not required to provide the information called for by this Item.

### ITEM 4. CONTROLS AND PROCEDURES.

#### Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate disclosure controls and procedures, as defined in Rule 15d-15(e) under the Exchange Act. Our disclosure controls and procedures are designed to ensure that information we are required to disclose in reports we file or submit under the Exchange Act is (a) recorded, processed, summarized, and reported, within the time periods specified in the Commission's rules and forms; and (b) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2020.

#### Internal Control over Financial Reporting

##### *Management's Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (b) provide reasonable assurance that our transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements. Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our internal control over financial reporting using the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of September 30, 2020.

##### *Changes in Internal Control over Financial Reporting*

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, any change in our internal control over financial reporting and identified no change during the quarter ended September 30, 2020, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition, or operating results.

### ITEM 1A. RISK FACTORS.

As a smaller reporting company, we are not required to provide the information called for by this Item.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

### ITEM 5. OTHER INFORMATION.

None.

**ITEM 6. EXHIBITS.**

<b>Exhibit No.</b>	<b>Description</b>
10.1 <sup>(1)</sup>	<a href="#"><u>Forms of the Securities Purchase Agreement, the Convertible Note, and the Warrant, each dated as of September 8, 2020</u></a>
10.2 <sup>(1)</sup>	<a href="#"><u>Forms of the Securities Purchase Agreement, the Convertible Note, and the Warrant, each dated as of September 17, 2020</u></a>
10.3 <sup>(1)</sup>	<a href="#"><u>Forms of the Securities Purchase Agreement, the Convertible Note, and the Warrant, each dated as of September 22, 2020</u></a>
10.4 <sup>(1)</sup>	<a href="#"><u>Forms of the Securities Purchase Agreement, the Convertible Note, and the Warrant, each dated as of September 28, 2020</u></a>
10.5 <sup>(1)</sup>	<a href="#"><u>Forms of the Securities Purchase Agreement, the Convertible Note, and the Warrant, each dated as of October 8, 2020</u></a>
31.1 <sup>(1)</sup>	<a href="#"><u>Certification of the Chief Executive Officer pursuant to Exchange Act Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2 <sup>(1)</sup>	<a href="#"><u>Certification of the Chief Financial Officer pursuant to Exchange Act Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1 <sup>(1)</sup>	<a href="#"><u>Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2 <sup>(1)</sup>	<a href="#"><u>Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS <sup>(2)</sup>	XBRL Instance Document
101.SCH <sup>(2)</sup>	XBRL Taxonomy Extension Schema Document
101.CAL <sup>(2)</sup>	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF <sup>(2)</sup>	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB <sup>(2)</sup>	XBRL Taxonomy Extension Label Linkbase Document
101.PRE <sup>(2)</sup>	XBRL Taxonomy Extension Presentation Linkbase Document
(1)	Filed herewith.
(2)	Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise are not subject to liability under those sections.

**SIGNATURES**

Pursuant to the requirements of Section 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 13, 2020

**CARDAX, INC.**

By: /s/ David G. Watumull

Name: David G. Watumull

Title: Chief Executive Officer and President



## SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of September 8, 2020, by and between Cardax, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Purchaser"). Certain capitalized terms used in this Agreement are defined in Section 1.1.

WHEREAS, the Company is a public company with its shares of common stock, par value \$0.001 per share (the "Common Stock") traded on the OTCQB under the symbol "CDXI";

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, subject to the terms and conditions set forth in this Agreement the Company desires to sell to the Purchaser and the Purchaser desires to purchase the "Securities" (as defined below) for aggregate consideration of \$ \_\_\_\_\_:

(a) a convertible promissory note (the "Note"), in the form attached hereto as Exhibit I, with an aggregate principal amount of \$ \_\_\_\_\_, convertible into shares of Common Stock at \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents; and

(b) a warrant (the "Warrant"), in the form attached hereto as Exhibit II, exercisable for 5 years from issuance, to purchase \_\_\_\_\_ shares of Common Stock at a price per share of \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents.

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.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the date of this Agreement.

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“Company Sub” means Cardax Pharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“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.

“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).

“Securities” means the Note, the Warrant, and any shares of Common Stock issued or issuable to the Purchaser under the Note and the Warrant.

“Securities Purchase Amount” means the aggregate amount to be paid for the Securities, which amount shall be paid by the Purchaser making a payment to the Company as provided in this Agreement.

“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.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or the OTC Bulletin Board (or any successors to any of the foregoing).

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

## **ARTICLE II PURCHASE AND SALE**

### **2.1 Closing.**

(a) On the Closing Date, the Purchaser shall purchase the Securities and the Company shall issue the Securities.

### **2.2 Deliveries.**

(a) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company a check or wire transfer of the Securities Purchase Amount of the Purchaser in accordance with the check or wire transfer instructions set forth on Schedule A to this Agreement.

(b) On the Closing Date, the Company and the Purchaser shall close the purchase and sale of the Securities and the Company shall promptly deliver or cause to be delivered to the Purchaser evidence of the issuance and delivery of the Securities by appropriate instructions to the stock transfer agent of the Company.

**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 the Closing Date (unless such representation is made as of a specific date therein in which case such representation and warranty shall be accurate as of such date):

(a) Organization and Qualification. Each of the Company and the Company Sub is an entity duly incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted.

(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) 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 Securities to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market applicable to the Company.

(d) SEC Filings. The documents (the "SEC Filings") that have been filed by the Company with the SEC do not (as amended and supplemented) contain a material misstatement of fact or does not omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, as interpreted by the Exchange Act.

(e) Financing Needs. The Company requires immediate financing through the offering of the securities under this Agreement to acquire additional funds for certain working capital and general corporate purposes that are due and payable within 30 days and if not paid would cause a material adverse effect to the Company, including the payment of payroll and other cash compensation and insurance. Accordingly, the purpose of the offering under this Agreement is different than the planned use of proceeds from the public offering described in the Registration Statement.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization: Authority.

(i) The Purchaser is either an individual or an entity that is duly incorporated or formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company, or similar 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.

(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 corporate, partnership, limited liability company, or similar action, 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: (a) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (c) 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 Securities hereunder in the ordinary course of its business or investment strategy.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is an "accredited investor" as defined in Rule 501 under the Securities Act; or (ii) a Non U.S. Person within the meaning of Regulation S under the Securities Act. The information provided by the Purchaser to the Company in the Certificate of Accredited Investor Status is true and correct.

(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) No Short Sales. The Purchaser shall not directly or indirectly, nor shall any Person acting on behalf of or pursuant to any understanding with the Purchaser, execute any Short Sales of the securities of the Company while the Note is outstanding.

(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: (a) 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; (b) 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 (c) 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. The Purchaser acknowledges that it has had information about the Company based on its investments in the Company and by reference to the SEC Filings other than the Registration Statement.

(iii) The Purchaser and/or Purchaser's advisor acknowledges that it has received and reviewed the SEC Filings, including the summary of risks contained in the "Risk Factors" sections in such documents and Schedule B 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 B, 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. 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.

(g) Solicitation. The Purchaser acknowledges that it did not become interested in the purchase of securities to be issued by the Company through any general solicitation or advertisement, including the Registration Statement. The Purchaser acknowledges that it has a substantive, preexisting personal investment relationship with the Company based on its ownership of Common Stock and several investments by the Purchaser. The Purchaser was solicited by the Company via direct solicitation by the Chief Executive Officer of the Company (the "CEO"), who has a personal relationship with the Purchaser, and a determination by the CEO that the Purchaser has the means and is likely to continue its investment interest in the Company. The Purchaser acknowledges that it was solicited by the Company for interest in the securities to be issued by the Company under this Agreement and that the Purchaser was not identified or contacted through the marketing of the public offering under the Registration Statement and the Purchaser did not independently contact the Company as a result of any solicitation by any broker dealer, including the lead underwriter specified in the Registration Statement.

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 hereby.

#### **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:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER EITHER 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).

(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. Except with respect to the material terms and conditions of the transaction contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide the Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto the Purchaser, agent, or counsel shall have entered into a written agreement with the Company regarding the confidentiality and use of such information or such Person is otherwise obligated to maintain the confidentiality of such information and not use such information in violation of applicable law. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in evaluating and providing any information it receives in connection with its consideration of purchasing the Securities.

4.3 Use of Proceeds. The Company will use the proceeds from this transaction for its general corporate purposes.

4.4 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  
MISCELLANEOUS**

5.1 Fees and Expenses. 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.

5.2 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.

5.3 Notices. 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. The Purchaser may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Company. The Company may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Purchaser then a party to this Agreement. In each case, such corrected information to be effective only upon delivery of such notice. 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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.

5.8 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.

5.9 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.

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

5.11 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 delivered by email delivery of a ".pdf" format data 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 ".pdf" signature page was an original thereof.

5.12 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.

5.13 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.

5.14 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]



IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
[Name of Purchaser]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE A**

Check and Wire Transfer Instructions

[provided separately]

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## SCHEDULE B

### 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 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 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 equal 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 affected.

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.

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NEITHER THIS SECURITY NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS CONVERSION HAVE BEEN REGISTERED UNDER EITHER 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.

Principal Amount: \$ \_\_\_\_\_  
Purchase Price: \$ \_\_\_\_\_

Issue Date: September 8, 2020

#### CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, Cardax, Inc., a Delaware corporation (the "Company"), hereby promises to pay to the order of \_\_\_\_\_ (together with its successors and assigns, the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of \$ \_\_\_\_\_ on \_\_\_\_\_ (the "Maturity Date"), unless extended by mutual written agreement of the parties, or such earlier date as required or permitted hereunder, and to pay interest to the Holder on the outstanding principal amount in accordance with the provisions hereof. Notwithstanding the foregoing, repayment of this Note may be amortized upon the Maturity Date in accordance with Section 4.2. This convertible promissory note (the "Note") is issued pursuant to the terms of that certain Securities Purchase Agreement (the "Purchase Agreement") by and between the Company and the Holder, and may be prepaid or converted into common stock of the Company, par value \$0.001 per share (the "Common Stock") as set forth herein. By acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

The following terms shall apply to this Note:

#### ARTICLE I. MANNER OF PAYMENT

1.1 Method of Payment. All payments hereunder shall be made in lawful money of the United States of America no later than 5:00 PM on the date on which such payment is due by check, certified check payable to the Holder, or by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to the Company from time to time.

1.2 Business Day Convention. Whenever any amount expressed to be due by the terms of this Note is due on any day that is not a business day, the same shall instead be due on the next succeeding business day. As used in this Note, the term "business day" shall mean 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.

#### ARTICLE II. INTEREST

2.1 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Note shall bear interest at a rate (the "Interest Rate") of \_\_\_\_\_ (%) per annum from the date hereof and shall continue on the outstanding principal amount of the Note until paid or converted in full in accordance with the provisions hereof.

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2.2 Interest Payment. The accrued and unpaid interest shall be due and payable upon maturity of Note unless otherwise converted in accordance with Section

2.3 Interest Calculations. Interest shall be calculated on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue on the Issue Date but shall not accrue on any Conversion Date (as to that principal amount then being converted), on any Prepayment Date (as to that principal amount then being paid), on the Maturity Date (as to that principal amount then being paid, if any), or on up to the first 10 calendar days of each month wherein an Amortization Payment is being made pursuant to Section 4.2 (as to that principal amount then being paid).

2.4 Default Interest. Upon an Event of Default (as defined in Section 6.1), the Interest Rate shall increase to twelve percent (12%) per annum from the date thereof until cured or waived.

2.5 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Note shall exceed the maximum rate of interest permitted to be charged by the Holder to the Company under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law. That portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest permitted by applicable law shall be deemed a voluntary prepayment of principal.

### ARTICLE III. CONVERSION

3.1 Method of Conversion. At any time while this Note is outstanding, this Note shall be convertible, in whole or in part, into shares (the "Conversion Shares") of Common Stock at the Conversion Price (as defined below), at the option of the Holder, at any time and from time to time. The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Exhibit I (each, a "Notice of Conversion"), specifying therein the outstanding principal amount of this Note, plus at the Holder's option, any accrued and unpaid interest thereon, to be converted and the date on which such conversion shall be effected (such date, a "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder.

3.2 Conversion Price. The conversion price (the "Conversion Price") per share of Common Stock in effect on any Conversion Date shall be equal to \$\_\_\_\_, subject to adjustment as provided below.

(a) Adjustment Upon Stock Split. If at any time while this Note is outstanding, the Company: (i) subdivides outstanding shares of Common Stock into a larger number of shares, (ii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iii) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be equitably adjusted. Any adjustment made pursuant to this Section 3.2(a) shall become effective immediately after the effective date of the subdivision, combination, or re-classification.

#### 3.3 Mechanics of Conversion.

(a) Conversion Shares Issuable Upon Conversion. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note to be converted, plus any accrued and unpaid interest thereon to be converted, by (y) the Conversion Price.

(b) No Fractional Shares Upon Conversion. No fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share that the Holder would otherwise be entitled to upon such conversion, the Company shall at its election, either pay a cash adjustment in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(c) Delivery of Certificate Upon Conversion. On the Conversion Date, or promptly thereafter, the Company shall issue and deliver or cause to be issued and delivered a certificate or certificates representing the Conversion Shares.

(d) Surrender of Note Upon Conversion. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire outstanding principal amount of this Note, plus all accrued and unpaid interest thereon, is to be converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note and accrued and unpaid interest thereon, in an amount equal to the applicable conversion, and all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Conversion Shares, as provided herein. The Holder and the Company shall maintain records showing the principal and interest amount(s) converted and the date of such conversion(s). In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.

(e) Authorized Shares. The Company shall reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note. The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable.

#### ARTICLE IV. REPAYMENT

4.1 Prepayment. Notwithstanding anything to the contrary contained in this Note, the Company may prepay the amounts outstanding hereunder pursuant to the following terms and conditions:

(a) At any time while this Note is outstanding, the Company shall have the right, exercisable on not less than five (5) trading days prior written notice (a "Prepayment Notice") to the Holder, to prepay the Note (outstanding principal and accrued interest), in whole or in part, without penalty.

(b) Notwithstanding the Prepayment Notice, upon receipt of such notice and prior to the prepayment date (the "Prepayment Date") specified by the Company in the Prepayment Notice, the Holder may elect to convert any outstanding portion of the Note, including any accrued interest, by submitting a Notice of Conversion to the Company as set forth in this Note.

4.2 Repayment Amortization Upon Maturity. If this Note, or any portion thereof, remains outstanding upon the Maturity Date, then repayment of the unpaid and unconverted principal amount of this Note, shall be amortized over the following thirty-six (36) months, with monthly payments (each, an "Amortization Payment") to be made on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Maturity Date. Until this Note is repaid or converted in full, the Holder shall continue to have all rights as a holder of this Note.

## ARTICLE V. CERTAIN COVENANTS

5.1 Sale or Disposition of Assets. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, sell, lease, or otherwise dispose of all or substantially all of its assets outside the ordinary course of business unless the proceeds of any disposition of its assets shall be used to repay this Note.

5.2 Non-Circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

## ARTICLE VI. EVENTS OF DEFAULT

6.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

(a) Failure to Pay Principal or Interest. The Company fails to pay any outstanding portion of this Note when due and such non-payment continues for a period of fifteen (15) days.

(b) Failure to Deliver Conversion Shares. The Company fails to issue and deliver or cause to issue and deliver the Conversion Shares to the Holder for a period of fifteen (15) days from the Conversion Date, provided that, an Event of Default shall not occur under this Section 6.1(b) if the Company shall have delivered proper issuance instructions for the Conversion Shares to its stock transfer agent prior to such date.

(c) Breach of Covenants. The Company breaches any material covenant or other material term or condition contained in this Note or any other Transaction Documents and such breach continues for a period of fifteen (15) days.

(d) Breach of Representations or Warranties. Any representation or warranty of the Company made in this Note or any other Transaction Documents shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or any other Transaction Documents, and such breach continues for a period of fifteen (15) days.

(e) Bankruptcy. Bankruptcy, insolvency, reorganization, or liquidation proceedings, or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company; or the Company admits in writing its inability to pay its debts generally as they mature, provided that, any disclosure of the Company's ability to continue as a "going concern" shall not be an admission that the Company cannot pay its debts as they become due; or the Company or any subsidiary of the Company shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or any dissolution, liquidation, or winding up of Company or any substantial portion of its business.

(f) Change of Control. The occurrence after the date hereof of any of (a) an acquisition by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 50% of the voting securities of the Company, other than in connection with an underwritten public offering, (b) the Company consummates a merger or similar transaction, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the Company or the successor entity of such transaction, or (c) the Company sells or transfers all or substantially all of its assets and the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a two year period of more than half of the members of the Board of Directors, if not approved by a majority of the Board of Directors, (e) David G. Watumull and David M. Watumull shall both have been terminated by the Company as Chief Executive Officer and Chief Operating Officer other than for cause, or (f) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (e) above

(g) Judgments. Any money judgment, writ, or similar process shall be entered or filed against the Company or any subsidiary of the Company or any of its property or other assets for more than \$500,000, and shall remain unvacated, unbonded, or unstayed for a period of one-hundred eighty (180) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

(h) Delisting of Common Stock. The Company shall fail to maintain the listing of the Common Stock on the OTCQB or on the principal securities exchange or other securities market on which the Common Stock is then being traded, and such delisting continues for a period of fifteen (15) days.

6.2 Remedies Upon Event of Default. Upon an Event of Default, interest on this Note shall accrue pursuant to Section 2.4, and the outstanding principal amount of this Note, plus accrued and unpaid interest, shall become, at the Holder’s election, immediately due and payable in cash. In lieu of cash payment, the Holder may elect to receive from time to time all or part of the outstanding principal amount of this Note, plus accrued and unpaid interest, in Conversion Shares. Such acceleration may be rescinded and annulled by the Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

[signature page follows]



IN WITNESS WHEREOF, Company has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT I  
NOTICE OF CONVERSION

The undersigned hereby elects to convert \$ \_\_\_\_\_ principal amount of the Note (defined below) together with \$ \_\_\_\_\_ of accrued and unpaid interest thereto, totaling \$ \_\_\_\_\_ into that number of shares of Common Stock of Cardax, Inc., a Delaware corporation (the "Company"), to be issued pursuant to the conversion of the Note as set forth below, according to the conditions of the convertible promissory note of the Company dated as of September 8, 2020 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any. This Notice of Conversion is irrevocable unless otherwise agreed by the Company.

Delivery instructions:

- The Company shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer"), provided that such shares are eligible for deposit.

Name of DTC Prime Broker: \_\_\_\_\_  
DTC Participant Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_

- The undersigned hereby requests that the Company issue the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) and form specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Form:  Physical Certificate  Book Entry

Date of Conversion:	_____
Applicable Conversion Price:	\$ _____
Number of Shares of Common Stock to be Issued Pursuant to Conversion of the Note:	_____
Amount of Principal Balance Due Remaining Under the Note after this Conversion:	\$ _____
Accrued and Unpaid Interest Remaining:	\$ _____

\_\_\_\_\_  
[Name of Holder]

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

WARRANT NUMBER

G \_\_\_\_\_

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER 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.

THIS CERTIFIES THAT, for value received, \_\_\_\_\_ (together with its successors and assigns, the "**Holder**"), commencing September 8, 2020 (the "**Date of Issue**") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.3), that number of fully paid and non-assessable shares (the "**Shares**") of common stock, par value \$0.001 per share ("**Common Stock**"), of Cardax, Inc., a Delaware corporation (the "**Company**"), that is not more than the Warrant Share Number (as defined in Section 1.1), subject to the further provisions of this warrant to purchase newly issued shares of Common Stock (the "**Warrant**"), at the Warrant Exercise Price (as defined in Section 1.2), subject to the further provisions of this Warrant.

1. EXERCISE OF WARRANT

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1. Warrant.

- (a) The Company hereby issues to the Holder this Warrant.
-

(b) The number of Shares that the Holder is entitled to purchase under the terms and conditions of this Warrant (the "*Warrant Share Number*") is equal to \_\_\_\_\_ Shares.

(c) For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section 1.1(c):

(i) "*Affiliate*" shall have the meaning ascribed to such term under the Securities Act and the regulations promulgated thereunder.

(ii) "*Business Day*" shall mean any date that the banks and the securities markets are in New York, New York open for business for the conduct of business in the regular course on such date.

(iii) "*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

(iv) "*Person*" shall mean any individual, trust or entity or governmental authority or agency.

1.2. The Warrant Exercise Price. The exercise price for the Warrant (the "*Warrant Exercise Price*") shall be equal, per share, to \$\_\_\_\_, subject to adjustment as provided in Section 4:

1.3. Method of Exercise.

(a) The Holder of this Warrant may exercise, in whole or in part, the purchase rights evidenced by this Warrant during the period commencing on the Date of Issue of this Warrant and ending on September 8, 2025, unless extended by the Company in its sole discretion (the "*Exercise Period*"). Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto (a "*Notice of Exercise*"), to the Secretary of the Company at its principal offices;

(ii) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(iii) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

(b) Conditions to Exercise of the Warrant.

(i) Notwithstanding the provisions of any provision of this Warrant, including Section 1.3, the exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act and all applicable state securities laws or the Shares are duly registered under the Securities Act. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

(ii) Notwithstanding anything to the contrary contained herein, the number of Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act (the "**Beneficial Ownership**"), does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise) (the "**Maximum Percentage**"). For the avoidance of doubt, except as otherwise provided herein in connection with a transaction described in Section 4.3 (a "**Fundamental Transaction**"), this Warrant may not be exercised in whole or in part if the Holder's Beneficial Ownership (as calculated herein) exceeds the Maximum Percentage prior to such exercise. For such purposes, "**Beneficial Ownership**" shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction of this Warrant or under any other provision of Section 4. This restriction may not be waived except by the Holder providing a notice to the Company as provided herein. For any reason at any time, upon the written or oral request of the Holder, the Company shall promptly confirm in writing (which may be by electronic mail) to the Holder the number of shares of Common Stock then outstanding. To the extent that the limitation contained in this Section 1.3(b)(ii) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which a portion of this Warrant is exercisable shall be in the sole discretion of a Holder, and the submission of a Notice of Exercise shall be deemed to be each Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination other than its obligation in this Section 1.3(b)(ii) above to, upon the Holder's request, confirm in writing to the Holder the number of shares of Common Stock then outstanding. Notwithstanding any provision of this Section 1.3(b)(ii) to the contrary, the limitations on the exercise of this Warrant under this Section 1.3(b)(ii) shall not be applicable from and after the date that is 61 days after the date that the Holder provides written notice to the Company that the Holder elects to have Beneficial Ownership of the Company's Common Stock in excess of the Maximum Percentage, in which case such Holder shall have the right to exercise this Warrant without the limitations of this Section 1.3(b)(ii); provided, that the limitations of this Section 1.3(b)(ii) shall again be applicable to any assignee of this Warrant until 61 days after such assignee provides such notice to the Company.

1.4. Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.5. Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.6. Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

## 2. TRANSFER RESTRICTIONS

2.1. Transfer. This Warrant and the Shares issuable upon exercise hereof are “restricted securities” as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Holder, the Company may require the transferor 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 the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant and the Agreement and shall have the rights and obligations of a Holder under this Warrant and the Agreement.

### 2.2. Legend.

(a) The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(b) Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof 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 this Warrant or such Shares issuable upon exercise hereof 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 Commission).

2.3. Sale. The Holder agrees that the Holder will sell this Warrant or any Shares issuable upon exercise hereof 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 this Warrant or any Shares issuable upon exercise hereof 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 Shares or this Warrant is predicated upon the Company's reliance upon this understanding.

### 3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

### 4. ANTIDILUTION PROVISIONS

4.1. Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2. Reclassification, Exchange and Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3. Reorganizations, Mergers, Consolidations or Sale of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.



## 5. RESERVATION OF STOCK ISSUABLE UPON EXERCISE

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

## 6. RIGHTS PRIOR TO EXERCISE OF WARRANT

6.1. This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

## 7. SUCCESSORS AND ASSIGNS

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

## 8. LOSS OR MUTILATION

8.1. Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

8.2. The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

## 9. TERMINATION DATE

This Warrant shall terminate upon the sooner of (a) the expiration of the Exercise Period; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

## 10. GOVERNING LAW

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

## 11. HEADINGS

The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

## 12. AMENDMENTS

The terms and conditions of this Warrant shall not be amended, modified or supplemented other than in accordance with a written amendment signed by the Holder and the Company that specifically provides for such amendment, modification or supplement.

### 13. NOTICES

All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Warrant Register, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section 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 or facsimile 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.

### 14. SEVERABILITY

If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

### 15. WARRANT REGISTER AND OWNERSHIP

Each Warrant issued by the Company shall be numbered and shall be registered in a warrant register (the "*Warrant Register*") as it is issued and transferred, which Warrant Register shall be maintained by the Company at its principal office or, at the Company's election and expense, by a Warrant Agent or the Company's transfer agent. The Company shall be entitled to treat the registered Holder of any Warrant on the Warrant Register as the owner in fact thereof and the Holder for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other Person, and shall not be affected by any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes. Subject to Section 10, a Warrant, if properly assigned, may be exercised by a new holder without a new Warrant first having been issued.

### 16. CERTAIN OTHER PROVISIONS

16.1. Any reference to an action or event to occur on a specified date that is not a Business Day shall be a reference to the immediately following Business Day.

16.2. Any calculations of the number of Shares to be issued upon the exercise of this Warrant, in whole or in part, shall be made by the Company and, absent manifest error, such calculation shall be conclusive and binding.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]**

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

**COMPANY**

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRANSFER AGENT AND REGISTRAR**

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

**NOTICE OF WARRANT EXERCISE**

**To: Cardax, Inc.**  
2800 Woodlawn Drive, Suite 129  
Honolulu, HI 96822

Gentlemen:

The undersigned, , hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, shares of the common stock ("**Common Stock**") of Cardax, Inc. Payment of the purchase price of \_\_\_\_\_ per Share required under such Warrant accompanies this notice.

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

By its delivery of this Notice of Warrant Exercise, the undersigned represents and warrants to the Company that (unless indicated below) in giving effect to the exercise evidenced hereby the Holder will not beneficially own in excess of the number of shares of Common Stock (determined in accordance with Section 13(d) of the Securities Exchange Act of 1934) permitted to be owned under Section 1.3(b)(ii) of this Warrant to which this notice relates.

If the number of shares of Common Stock purchased (and/or canceled) hereby is less than the number of shares of Common Stock covered by the Warrant, the undersigned requests that a new Warrant representing the number of shares of Common Stock not so purchased (or canceled) be issued and delivered as follows:

ISSUE TO:

\_\_\_\_\_  
(NAME OF HOLDER)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER)

DELIVER TO:

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

DATED: \_\_\_\_\_, \_\_\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



**ASSIGNMENT FORM**

(To assign the foregoing warrant, execute  
this form and supply required information.  
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [\_\_\_\_\_] all of or [\_\_\_\_\_] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

\_\_\_\_\_ whose address is

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

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## SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of September 17, 2020, by and between Cardax, Inc., a Delaware corporation (the "Company"), \_\_\_\_\_ (the "Purchaser"). Certain capitalized terms used in this Agreement are defined in Section 1.1.

WHEREAS, the Company is a public company with its shares of common stock, par value \$0.001 per share (the "Common Stock") traded on the OTCQB under the symbol "CDXI";

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, subject to the terms and conditions set forth in this Agreement the Company desires to sell to the Purchaser and the Purchaser desires to purchase the "Securities" (as defined below) for aggregate consideration of \$ \_\_\_\_\_:

(a) a senior convertible promissory note (the "Note"), in the form attached hereto as Exhibit I, with an aggregate principal amount of \$ \_\_\_\_\_, convertible into shares of Common Stock at \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents; and

(b) a warrant (the "Warrant"), in the form attached hereto as Exhibit II, exercisable for 5 years from issuance, to purchase \_\_\_\_\_ shares of Common Stock at a price per share of \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents.

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.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the date of this Agreement.

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“Company Sub” means Cardax Pharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“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.

“Securities” means the Note, the Warrant, and any shares of Common Stock issued or issuable to the Purchaser under the Note and the Warrant.

“Securities Purchase Amount” means the aggregate amount to be paid for the Securities, which amount shall be paid by the Purchaser making a payment to the Company as provided in this Agreement.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or the OTC Bulletin Board (or any successors to any of the foregoing).

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

## **ARTICLE II PURCHASE AND SALE**

### **2.1 Closing.**

(a) On the Closing Date, the Purchaser shall purchase the Securities and the Company shall issue the Securities.

### **2.2 Deliveries.**

(a) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company a check or wire transfer of the Securities Purchase Amount of the Purchaser in accordance with the check or wire transfer instructions set forth on Schedule A to this Agreement.

(b) On the Closing Date, the Company and the Purchaser shall close the purchase and sale of the Securities and the Company shall promptly deliver or cause to be delivered to the Purchaser evidence of the issuance and delivery of the Securities by appropriate instructions to the stock transfer agent of the Company.

## **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 the Closing Date (unless such representation is made as of a specific date therein in which case such representation and warranty shall be accurate as of such date):

(a) Organization and Qualification. Each of the Company and the Company Sub is an entity duly incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted.



(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) 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 Securities to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market applicable to the Company.

(d) SEC Filings. The documents (the "SEC Filings") that have been filed by the Company with the SEC do not (as amended and supplemented) contain a material misstatement of fact or does not omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, as interpreted by the Exchange Act.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority.

(i) The Purchaser is either an individual or an entity that is duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar 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.

(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 corporate, partnership, limited liability company or similar action, 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: (a) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally; (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies; and (c) 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 Securities hereunder in the ordinary course of its business or investment strategy.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is an “accredited investor” as defined in Rule 501 under the Securities Act; or (ii) a Non U.S. Person within the meaning of Regulation S under the Securities Act. The information provided by the Purchaser to the Company in the Certificate of Accredited Investor Status is true and correct.

(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) 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.

(ii) The Purchaser agrees that it has had an opportunity to conduct its due diligence on the investment and in connection therewith: (a) 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; (b) 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 (c) 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 risks contained in the “Risk Factors” sections in such documents and Schedule B 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.

(f) Solicitation. The Purchaser acknowledges that it did not become interested in the purchase of securities to be issued by the Company through any general solicitation or advertisement, including any registration statement that has been filed by the Company. The Purchaser acknowledges that it has a preexisting personal and investment relationship with the Company.

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 hereby.

**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:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER EITHER 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).

(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.** Except with respect to the material terms and conditions of the transaction contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide the Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto the Purchaser, agent, or counsel shall have entered into a written agreement with the Company regarding the confidentiality and use of such information or such Person is otherwise obligated to maintain the confidentiality of such information and not use such information in violation of applicable law. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in evaluating and providing any information it receives in connection with its consideration of purchasing the Securities.

4.3 Use of Proceeds. The Company will use the proceeds from this transaction for its product development, commercialization, and general corporate purposes.

4.4 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.

4.5 Right of Participation. For 18 months after the Closing, the Purchaser shall be given not less than 10 Business Days prior written notice of any proposed sale (the "Notice of Sale") by the Company of its Common Stock or other equity or debt securities, except in connection with the (i) full or partial consideration for a strategic merger, acquisition, or license agreement by the Company, (ii) equity compensation issued or granted to employees, directors, or consultants, and (iii) exercise of any options or warrants or conversion of any convertible promissory notes that are outstanding as of the Closing Date, (collectively the foregoing are "Excepted Issuances"). The Purchaser shall have the right during the 10 Business Days following receipt of the Notice of Sale to participate in such offering upon the same terms offered to all other offerees.

## ARTICLE V MISCELLANEOUS

5.1 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.

5.2 Notices. 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. The Purchaser may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Company. The Company may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Purchaser then a party to this Agreement. In each case, such corrected information to be effective only upon delivery of such notice. 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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.

5.8 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.

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

5.10 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 delivered by email delivery of a ".pdf" format data 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 ".pdf" signature page was an original thereof.

5.11 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.

5.12 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.

5.13 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]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
[Name of Purchaser]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE A**

Check and Wire Transfer Instructions

[provided separately]

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## SCHEDULE B

### 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 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 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 equal 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 affected.

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 are 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.

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NEITHER THIS SECURITY NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS CONVERSION HAVE BEEN REGISTERED UNDER EITHER 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.

Principal Amount: \$ \_\_\_\_\_  
Purchase Price: \$ \_\_\_\_\_

Issue Date: September 17, 2020

### SENIOR CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, Cardax, Inc., a Delaware corporation (the "Company"), hereby promises to pay to the order of \_\_\_\_\_ (together with its successors and assigns, the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of \$ \_\_\_\_\_ on \_\_\_\_\_ (the "Maturity Date"), unless extended by mutual written agreement of the parties, or such earlier date as required or permitted hereunder, and to pay interest to the Holder on the outstanding principal amount in accordance with the provisions hereof. This senior convertible promissory note (the "Note") is issued pursuant to the terms of that certain Securities Purchase Agreement (the "Purchase Agreement") by and between the Company and the Holder, is senior to all indebtedness for borrowed funds of the Company, and may be prepaid or converted into common stock of the Holder, par value \$0.001 per share (the "Common Stock") as set forth herein. The Company acknowledges that the principal amount of this Note exceeds its purchase price and that such excess is an original issue discount of eight percent (8%), which shall be fully earned and charged to the Company upon the execution of this Note, and shall be paid to the Holder as part of the outstanding principal amount set forth in this Note. By acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

The following terms shall apply to this Note:

#### ARTICLE I. MANNER OF PAYMENT

1.1 Method of Payment. All payments hereunder shall be made in lawful money of the United States of America no later than 5:00 PM on the date on which such payment is due by check, certified check payable to the Holder, or by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to the Company from time to time.

1.2 Business Day Convention. Whenever any amount expressed to be due by the terms of this Note is due on any day that is not a business day, the same shall instead be due on the next succeeding business day. As used in this Note, the term "business day" shall mean 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.

#### ARTICLE II. INTEREST

2.1 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Note shall bear interest at a rate (the "Interest Rate") of \_\_\_\_\_ (%) per annum from the date hereof and shall continue on the outstanding principal amount of the Note until paid or converted in full in accordance with the provisions hereof.

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2.2 Interest Payments. The Company shall pay interest in cash to the Holder (i) monthly in arrears, on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Issue Date, (ii) on each Conversion Date (as to that principal amount then being converted, less any such interest amount then being converted), (iii) on each Repayment Date (as to that principal amount then being paid), and (iv) on the Maturity Date (each such date, an "Interest Payment Date").

2.3 Interest Calculations. Interest shall be calculated on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue on the Issue Date but shall not accrue on any Conversion Date (as to that principal amount then being converted), any Repayment Date (as to that principal amount then being redeemed), or on the Maturity Date.

2.4 Default Interest. Upon an Event of Default (as defined in Section 6.1), the Interest Rate shall increase to twelve percent (12%) per annum from the date thereof until cured or waived.

2.5 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Note shall exceed the maximum rate of interest permitted to be charged by the Holder to the Company under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law. That portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest permitted by applicable law shall be deemed a voluntary prepayment of principal.

### ARTICLE III. CONVERSION

3.1 Method of Conversion. This Note may be converted into shares (the "Conversion Shares") of Common Stock as provided below.

(a) Optional Conversion. At any time after the Issue Date until this Note is no longer outstanding, this Note shall be convertible, in whole or in part, into shares of Common Stock at the Conversion Price (as defined below), at the option of the Holder, at any time and from time to time. The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Exhibit I (each, a "Notice of Conversion"), specifying therein the outstanding principal amount of this Note, plus at the Holder's option, any accrued and unpaid interest thereon, to be converted and the date on which such conversion shall be effected (such date, a "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder.

(b) Mandatory Conversion. The entire outstanding principal amount of this Note, plus at the Holder's option, any accrued and unpaid interest thereon, shall be automatically convertible into shares of Common Stock at the Conversion Price (as defined below), upon the closing of any equity financing (in one transaction or series of related transactions) of the Company with aggregate gross proceeds of at least \$5,000,000.00 (a "Qualified Financing"), wherein the date of such closing, in which such aggregate gross proceeds have been received, shall be considered the "Conversion Date" under this Note.

3.2 Conversion Price. The conversion price (the "Conversion Price") per share of Common Stock in effect on any Conversion Date shall be equal to \$\_\_\_\_, subject to adjustment as provided below.

(a) Adjustment Upon Stock Split. If at any time while this Note is outstanding, the Company: (i) subdivides outstanding shares of Common Stock into a larger number of shares, (ii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iii) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be equitably adjusted. Any adjustment made pursuant to this Section 3.2(a) shall become effective immediately after the effective date of the subdivision, combination, or re-classification.

(b) Adjustment Upon Qualified Financing. If at any time while this Note is outstanding, the Company closes a Qualified Financing, then the Conversion Price shall be equal to the lower of the Conversion Price then in effect or a 25% discount to the price of Common Stock sold in the Qualified Financing. Any adjustment made pursuant to this Section 3.2(b) shall become effective upon the closing of the Qualified Financing.

(c) Adjustment Upon Dilutive Issuance. If at any time while this Note is outstanding, the Company issues (i) Common Stock at a price per share that is lower than the Conversion Price then in effect, or (ii) any securities convertible into Common Stock at a price per share (after giving effect to consideration payable upon purchase and upon conversion) that is lower than the Conversion Price then in effect (each of the foregoing, with the exception of any Excepted Issuances as defined in the Purchase Agreement, a "Dilutive Issuance"), then the Conversion Price shall be adjusted to such lower price. Any adjustment made pursuant to this Section 3.2(c) shall become effective upon such Dilutive Issuance.

(d) Adjustment Upon Event of Default. If at any time while this Note is outstanding, an Event of Default exists (as defined in Section 6.1), then the Conversion Price shall be equal to the lower of the Conversion Price then in effect or a 25% discount to the volume-weighted average price of the Common Stock for the 20 trading days prior to the Conversion Date, wherein "trading day" shall mean any day on which the Common Stock is tradable on the OTCQB or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

(e) Warrant Exercise Price Parity. If the Conversion Price is adjusted as provided in this Section 3.2, then the exercise price of the Warrant issued pursuant to the terms of the Purchase Agreement shall be adjusted to equal the adjusted Conversion Price.

### 3.3 Mechanics of Conversion.

(a) Conversion Shares Issuable Upon Conversion. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note to be converted, plus at the Holder's option, any accrued and unpaid interest thereon to be converted, by (y) the Conversion Price.

(b) No Fractional Shares Upon Conversion. No fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share that the Holder would otherwise be entitled to upon such conversion, the Company shall at its election, either pay a cash adjustment in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(c) Delivery of Certificate Upon Conversion. On the Conversion Date, or promptly thereafter, the Company shall issue and deliver or cause to be issued and delivered a certificate or certificates representing the Conversion Shares.

(d) Surrender of Note Upon Conversion. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire outstanding principal amount of this Note, plus all accrued and unpaid interest thereon, is to be converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note and accrued and unpaid interest thereon, in an amount equal to the applicable conversion, and all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Conversion Shares, as provided herein. The Holder and the Company shall maintain records showing the principal and interest amount(s) converted and the date of such conversion(s). In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.

(e) Authorized Shares. The Company shall reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note. The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable.

#### ARTICLE IV. PREPAYMENT

4.1 Prepayment. Notwithstanding anything to the contrary contained in this Note, the Company may prepay the amounts outstanding hereunder pursuant to the following terms and conditions:

(a) At any time while this Note is outstanding, the Company shall have the right, exercisable on not less than five (5) trading days prior written notice (a "Prepayment Notice") to the Holder, to prepay the Note (outstanding principal and accrued interest), in whole or in part, without penalty.

(b) Notwithstanding the Prepayment Notice, upon receipt of such notice and prior to the prepayment date specified by the Company in the Prepayment Notice, the Holder may elect to convert any outstanding portion of the Note, including any accrued interest, by submitting a Notice of Conversion to the Company as set forth in this Note, provided the Conversion Price is \$4.50, subject to adjustments for stock splits and similar events as provided in this Note.

#### ARTICLE V. CERTAIN COVENANTS

5.1 Borrowings. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, create, incur, assume guarantee, endorse, contingently agree to purchase, or otherwise become liable upon the obligation of any person, firm, partnership, joint venture, or corporation, except by the endorsement of negotiable instruments for deposit or collection, or suffer to exist any liability for borrowed money that is senior or *pari passu* to this Note, except for borrowings, the proceeds of which shall be used to repay this Note.

5.2 Sale or Disposition of Assets. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, sell, lease, or otherwise dispose of all or substantially all of its assets outside the ordinary course of business unless the proceeds of any disposition of its assets shall be used to repay this Note.

5.3 Non-Circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

## ARTICLE VI. EVENTS OF DEFAULT

6.1 Events of Default. The occurrence of any of the following events shall constitute an “Event of Default”:

(a) Failure to Pay Principal or Interest. The Company fails to pay the principal hereof or interest thereon when due on this Note and such non-payment continues for a period of fifteen (15) days.

(b) Failure to Deliver Conversion Shares. The Company fails to issue and deliver or cause to issue and deliver the Conversion Shares to the Holder for a period of fifteen (15) days from the Conversion Date, provided that, an Event of Default shall not occur under this Section 6.1(b) if the Company shall have delivered proper issuance instructions for the Conversion Shares to its stock transfer agent prior to such date.

(c) Breach of Covenants. The Company breaches any material covenant or other material term or condition contained in this Note or any other Transaction Documents and such breach continues for a period of fifteen (15) days.

(d) Breach of Representations or Warranties. Any representation or warranty of the Company made in this Note or any other Transaction Documents shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or any other Transaction Documents, and such breach continues for a period of fifteen (15) days.

(e) Bankruptcy. Bankruptcy, insolvency, reorganization, or liquidation proceedings, or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company; or the Company admits in writing its inability to pay its debts generally as they mature, provided that, any disclosure of the Company’s ability to continue as a “going concern” shall not be an admission that the Company cannot pay its debts as they become due; or the Company or any subsidiary of the Company shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or any dissolution, liquidation, or winding up of Company or any substantial portion of its business.

(f) Change of Control. The occurrence after the date hereof of any of (a) an acquisition by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 50% of the voting securities of the Company, other than in connection with an underwritten public offering, (b) the Company consummates a merger or similar transaction, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the Company or the successor entity of such transaction, or (c) the Company sells or transfers all or substantially all of its assets and the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a two year period of more than half of the members of the Board of Directors, if not approved by a majority of the Board of Directors, (e) David G. Watumull and David M. Watumull shall both have been terminated by the Company as Chief Executive Officer and Chief Operating Officer other than for cause, or (f) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (e) above

(g) Judgments. Any money judgment, writ, or similar process shall be entered or filed against the Company or any subsidiary of the Company or any of its property or other assets for more than \$500,000, and shall remain unvacated, unbonded, or unstayed for a period of one-hundred eighty (180) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

(h) Delisting of Common Stock. The Company shall fail to maintain the listing of the Common Stock on the OTCQB or on the principal securities exchange or other securities market on which the Common Stock is then being traded, and such delisting continues for a period of fifteen (15) days.

6.2 Remedies Upon Event of Default. Upon an Event of Default, interest on this Note shall accrue pursuant to Section 2.4, and the outstanding principal amount of this Note, plus accrued and unpaid interest, shall become, at the Holder's election, immediately due and payable in cash. In lieu of cash payment, the Holder may elect to receive from time to time all or part of the outstanding principal amount of this Note, plus accrued and unpaid interest, in Conversion Shares pursuant to Section 3.2(d). Such acceleration may be rescinded and annulled by the Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

[signature page follows]

IN WITNESS WHEREOF, Company has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT I

NOTICE OF CONVERSION

The undersigned hereby elects to convert \$ \_\_\_\_\_ principal amount of the Note (defined below) together with \$ \_\_\_\_\_ of accrued and unpaid interest thereto, totaling \$ \_\_\_\_\_ into that number of shares of Common Stock of Cardax, Inc., a Delaware corporation (the "Company"), to be issued pursuant to the conversion of the Note as set forth below, according to the conditions of the convertible promissory note of the Company dated as of September 17, 2020 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any. This Notice of Conversion is irrevocable unless otherwise agreed by the Company.

Delivery instructions:

- The Company shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer"), provided that such shares are eligible for deposit.

Name of DTC Prime Broker: \_\_\_\_\_  
DTC Participant Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_

- The undersigned hereby requests that the Company issue the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) and form specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Form:  Physical Certificate  Book Entry

Date of Conversion: \_\_\_\_\_

Applicable Conversion Price: \$ \_\_\_\_\_

Number of Shares of Common Stock to be Issued \_\_\_\_\_

Pursuant to Conversion of the Note: \_\_\_\_\_

Amount of Principal Balance Due Remaining \_\_\_\_\_

Under the Note after this Conversion: \$ \_\_\_\_\_

Accrued and Unpaid Interest Remaining: \$ \_\_\_\_\_

\_\_\_\_\_  
[Name of Holder]

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_



WARRANT NUMBER

G \_\_\_\_\_

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER 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.

THIS CERTIFIES THAT, for value received, \_\_\_\_\_ (together with its successors and assigns, the "**Holder**"), commencing September 17, 2020 (the "**Date of Issue**") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.3), that number of fully paid and non-assessable shares (the "**Shares**") of common stock, par value \$0.001 per share ("**Common Stock**"), of Cardax, Inc., a Delaware corporation (the "**Company**"), that is not more than the Warrant Share Number (as defined in Section 1.1), subject to the further provisions of this warrant to purchase newly issued shares of Common Stock (the "**Warrant**"), at the Warrant Exercise Price (as defined in Section 1.2), subject to the further provisions of this Warrant.

**1. EXERCISE OF WARRANT**

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1. Warrant.

- (a) The Company hereby issues to the Holder this Warrant.
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(b) The number of Shares that the Holder is entitled to purchase under the terms and conditions of this Warrant (the "**Warrant Share Number**") is equal to \_\_\_\_\_ Shares.

(c) For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section 1.1(c):

(i) "**Affiliate**" shall have the meaning ascribed to such term under the Securities Act and the regulations promulgated thereunder.

(ii) "**Business Day**" shall mean any date that the banks and the securities markets are in New York, New York open for business for the conduct of business in the regular course on such date.

(iii) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

(iv) "**Person**" shall mean any individual, trust or entity or governmental authority or agency.

1.2. The Warrant Exercise Price. The exercise price for the Warrant (the "**Warrant Exercise Price**") shall be equal, per share, to \$\_\_\_\_, subject to adjustment as provided in Section 4:

1.3. Method of Exercise.

(a) The Holder of this Warrant may exercise, in whole or in part, the purchase rights evidenced by this Warrant during the period commencing on the Date of Issue of this Warrant and ending on September 17, 2025, unless extended by the Company in its sole discretion (the "**Exercise Period**"). Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto (a "**Notice of Exercise**"), to the Secretary of the Company at its principal offices;

(ii) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(iii) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

(b) Conditions to Exercise of the Warrant.

(i) Notwithstanding the provisions of any provision of this Warrant, including Section 1.3, the exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act and all applicable state securities laws or the Shares are duly registered under the Securities Act. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

(ii) Notwithstanding anything to the contrary contained herein, the number of Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act (the "**Beneficial Ownership**"), does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise) (the "**Maximum Percentage**"). For the avoidance of doubt, except as otherwise provided herein in connection with a transaction described in Section 4.3 (a "**Fundamental Transaction**"), this Warrant may not be exercised in whole or in part if the Holder's Beneficial Ownership (as calculated herein) exceeds the Maximum Percentage prior to such exercise. For such purposes, "**Beneficial Ownership**" shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction of this Warrant or under any other provision of Section 4. This restriction may not be waived except by the Holder providing a notice to the Company as provided herein. For any reason at any time, upon the written or oral request of the Holder, the Company shall promptly confirm in writing (which may be by electronic mail) to the Holder the number of shares of Common Stock then outstanding. To the extent that the limitation contained in this Section 1.3(b)(ii) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which a portion of this Warrant is exercisable shall be in the sole discretion of a Holder, and the submission of a Notice of Exercise shall be deemed to be each Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination other than its obligation in this Section 1.3(b)(ii) above to, upon the Holder's request, confirm in writing to the Holder the number of shares of Common Stock then outstanding. Notwithstanding any provision of this Section 1.3(b)(ii) to the contrary, the limitations on the exercise of this Warrant under this Section 1.3(b)(ii) shall not be applicable from and after the date that is 61 days after the date that the Holder provides written notice to the Company that the Holder elects to have Beneficial Ownership of the Company's Common Stock in excess of the Maximum Percentage, in which case such Holder shall have the right to exercise this Warrant without the limitations of this Section 1.3(b)(ii); provided, that the limitations of this Section 1.3(b)(ii) shall again be applicable to any assignee of this Warrant until 61 days after such assignee provides such notice to the Company.

1.4. Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.5. Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.6. Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

## 2. TRANSFER RESTRICTIONS

2.1. Transfer. This Warrant and the Shares issuable upon exercise hereof are “restricted securities” as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Holder, the Company may require the transferor 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 the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant and the Agreement and shall have the rights and obligations of a Holder under this Warrant and the Agreement.

### 2.2. Legend.

(a) The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(b) Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof 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 this Warrant or such Shares issuable upon exercise hereof 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 Commission).

2.3. Sale. The Holder agrees that the Holder will sell this Warrant or any Shares issuable upon exercise hereof 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 this Warrant or any Shares issuable upon exercise hereof 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 Shares or this Warrant is predicated upon the Company's reliance upon this understanding.

### 3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

### 4. ANTIDILUTION PROVISIONS

4.1. Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2. Reclassification, Exchange and Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3. Reorganizations, Mergers, Consolidations or Sale of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

## 5. RESERVATION OF STOCK ISSUABLE UPON EXERCISE

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

## 6. RIGHTS PRIOR TO EXERCISE OF WARRANT

6.1. This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

## 7. SUCCESSORS AND ASSIGNS

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

## 8. LOSS OR MUTILATION

8.1. Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

8.2. The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

## 9. TERMINATION DATE

This Warrant shall terminate upon the sooner of (a) the expiration of the Exercise Period; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

## 10. GOVERNING LAW

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

## 11. HEADINGS

The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

## 12. AMENDMENTS

The terms and conditions of this Warrant shall not be amended, modified or supplemented other than in accordance with a written amendment signed by the Holder and the Company that specifically provides for such amendment, modification or supplement.



### 13. NOTICES

All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Warrant Register, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section 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 or facsimile 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.

### 14. SEVERABILITY

If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

### 15. WARRANT REGISTER AND OWNERSHIP

Each Warrant issued by the Company shall be numbered and shall be registered in a warrant register (the "*Warrant Register*") as it is issued and transferred, which Warrant Register shall be maintained by the Company at its principal office or, at the Company's election and expense, by a Warrant Agent or the Company's transfer agent. The Company shall be entitled to treat the registered Holder of any Warrant on the Warrant Register as the owner in fact thereof and the Holder for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other Person, and shall not be affected by any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes. Subject to Section 10, a Warrant, if properly assigned, may be exercised by a new holder without a new Warrant first having been issued.

### 16. CERTAIN OTHER PROVISIONS

16.1. Any reference to an action or event to occur on a specified date that is not a Business Day shall be a reference to the immediately following Business Day.

16.2. Any calculations of the number of Shares to be issued upon the exercise of this Warrant, in whole or in part, shall be made by the Company and, absent manifest error, such calculation shall be conclusive and binding.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]**

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

**COMPANY**

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRANSFER AGENT AND REGISTRAR**

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

**NOTICE OF WARRANT EXERCISE**

**To: Cardax, Inc.**  
2800 Woodlawn Drive, Suite 129  
Honolulu, HI 96822

Gentlemen:

The undersigned, \_\_\_\_\_, hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, \_\_\_\_\_ shares of the common stock ("**Common Stock**") of Cardax, Inc. Payment of the purchase price of \_\_\_\_\_ per Share required under such Warrant accompanies this notice.

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

By its delivery of this Notice of Warrant Exercise, the undersigned represents and warrants to the Company that (unless indicated below) in giving effect to the exercise evidenced hereby the Holder will not beneficially own in excess of the number of shares of Common Stock (determined in accordance with Section 13(d) of the Securities Exchange Act of 1934) permitted to be owned under Section 1.3(b)(ii) of this Warrant to which this notice relates.

If the number of shares of Common Stock purchased (and/or canceled) hereby is less than the number of shares of Common Stock covered by the Warrant, the undersigned requests that a new Warrant representing the number of shares of Common Stock not so purchased (or canceled) be issued and delivered as follows:

ISSUE TO:

\_\_\_\_\_  
(NAME OF HOLDER)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER)

DELIVER TO:

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

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DATED: \_\_\_\_\_, \_\_\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

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**ASSIGNMENT FORM**

(To assign the foregoing warrant, execute  
this form and supply required information.  
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [\_\_\_\_] all of or [\_\_\_\_] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

\_\_\_\_\_ whose address is

\_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

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## SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of September 22, 2020, by and between Cardax, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Purchaser"). Certain capitalized terms used in this Agreement are defined in Section 1.1.

WHEREAS, the Company is a public company with its shares of common stock, par value \$0.001 per share (the "Common Stock") traded on the OTCQB under the symbol "CDXI";

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, subject to the terms and conditions set forth in this Agreement the Company desires to sell to the Purchaser and the Purchaser desires to purchase the "Securities" (as defined below) for aggregate consideration of \$ \_\_\_\_\_:

(a) a convertible promissory note (the "Note"), in the form attached hereto as Exhibit I, with an aggregate principal amount of \$ \_\_\_\_\_, convertible into shares of Common Stock at \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents; and

(b) a warrant (the "Warrant"), in the form attached hereto as Exhibit II, exercisable for 5 years from issuance, to purchase \_\_\_\_\_ shares of Common Stock at a price per share of \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents.

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.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the date of this Agreement.

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“Company Sub” means Cardax Pharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“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.

“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).

“Securities” means the Note, the Warrant, and any shares of Common Stock issued or issuable to the Purchaser under the Note and the Warrant.

“Securities Purchase Amount” means the aggregate amount to be paid for the Securities, which amount shall be paid by the Purchaser making a payment to the Company as provided in this Agreement.

“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.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or the OTC Bulletin Board (or any successors to any of the foregoing).

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

## **ARTICLE II PURCHASE AND SALE**

### **2.1 Closing.**

(a) On the Closing Date, the Purchaser shall purchase the Securities and the Company shall issue the Securities.

### **2.2 Deliveries.**

(a) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company a check or wire transfer of the Securities Purchase Amount of the Purchaser in accordance with the check or wire transfer instructions set forth on Schedule A to this Agreement.

(b) On the Closing Date, the Company and the Purchaser shall close the purchase and sale of the Securities and the Company shall promptly deliver or cause to be delivered to the Purchaser evidence of the issuance and delivery of the Securities by appropriate instructions to the stock transfer agent of the Company.

**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 the Closing Date (unless such representation is made as of a specific date therein in which case such representation and warranty shall be accurate as of such date):

(a) Organization and Qualification. Each of the Company and the Company Sub is an entity duly incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted.

(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) 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 Securities to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market applicable to the Company.

(d) SEC Filings. The documents (the "SEC Filings") that have been filed by the Company with the SEC do not (as amended and supplemented) contain a material misstatement of fact or does not omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, as interpreted by the Exchange Act.

(e) Financing Needs. The Company requires immediate financing through the offering of the securities under this Agreement to acquire additional funds for certain working capital and general corporate purposes that are due and payable within 30 days and if not paid would cause a material adverse effect to the Company, including the payment of payroll and other cash compensation and insurance. Accordingly, the purpose of the offering under this Agreement is different than the planned use of proceeds from the public offering described in the Registration Statement.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization: Authority.

(i) The Purchaser is either an individual or an entity that is duly incorporated or formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company, or similar 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.

(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 corporate, partnership, limited liability company, or similar action, 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: (a) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (c) 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 Securities hereunder in the ordinary course of its business or investment strategy.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is an "accredited investor" as defined in Rule 501 under the Securities Act; or (ii) a Non U.S. Person within the meaning of Regulation S under the Securities Act. The information provided by the Purchaser to the Company in the Certificate of Accredited Investor Status is true and correct.

(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) No Short Sales. The Purchaser shall not directly or indirectly, nor shall any Person acting on behalf of or pursuant to any understanding with the Purchaser, execute any Short Sales of the securities of the Company while the Note is outstanding.

(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: (a) 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; (b) 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 (c) 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. The Purchaser acknowledges that it has had information about the Company based on its investments in the Company and by reference to the SEC Filings other than the Registration Statement.

(iii) The Purchaser and/or Purchaser's advisor acknowledges that it has received and reviewed the SEC Filings, including the summary of risks contained in the "Risk Factors" sections in such documents and Schedule B 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 B, 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. 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.

(g) Solicitation. The Purchaser acknowledges that it did not become interested in the purchase of securities to be issued by the Company through any general solicitation or advertisement, including the Registration Statement. The Purchaser acknowledges that it has a substantive, preexisting personal investment relationship with the Company based on its ownership of Common Stock and several investments by the Purchaser. The Purchaser was solicited by the Company via direct solicitation by the Chief Executive Officer of the Company (the "CEO"), who has a personal relationship with the Purchaser, and a determination by the CEO that the Purchaser has the means and is likely to continue its investment interest in the Company. The Purchaser acknowledges that it was solicited by the Company for interest in the securities to be issued by the Company under this Agreement and that the Purchaser was not identified or contacted through the marketing of the public offering under the Registration Statement and the Purchaser did not independently contact the Company as a result of any solicitation by any broker dealer, including the lead underwriter specified in the Registration Statement.

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 hereby.

#### **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:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER EITHER 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).

(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. Except with respect to the material terms and conditions of the transaction contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide the Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto the Purchaser, agent, or counsel shall have entered into a written agreement with the Company regarding the confidentiality and use of such information or such Person is otherwise obligated to maintain the confidentiality of such information and not use such information in violation of applicable law. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in evaluating and providing any information it receives in connection with its consideration of purchasing the Securities.

4.3 Use of Proceeds. The Company will use the proceeds from this transaction for its general corporate purposes.

4.4 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  
MISCELLANEOUS**

5.1 Fees and Expenses. 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.

5.2 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.

5.3 Notices. 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. The Purchaser may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Company. The Company may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Purchaser then a party to this Agreement. In each case, such corrected information to be effective only upon delivery of such notice. 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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.

5.8 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.

5.9 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.

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

5.11 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 delivered by email delivery of a ".pdf" format data 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 ".pdf" signature page was an original thereof.

5.12 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.

5.13 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.

5.14 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]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
[Name of Purchaser]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE A**

Check and Wire Transfer Instructions

[provided separately]

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## SCHEDULE B

### 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 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 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 equal 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 affected.

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.

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NEITHER THIS SECURITY NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS CONVERSION HAVE BEEN REGISTERED UNDER EITHER 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.

Principal Amount: \$ \_\_\_\_\_  
Purchase Price: \$ \_\_\_\_\_

Issue Date: September 22, 2020

#### CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, Cardax, Inc., a Delaware corporation (the "Company"), hereby promises to pay to the order of \_\_\_\_\_ (together with its successors and assigns, the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of \$ \_\_\_\_\_ on \_\_\_\_\_ (the "Maturity Date"), unless extended by mutual written agreement of the parties, or such earlier date as required or permitted hereunder, and to pay interest to the Holder on the outstanding principal amount in accordance with the provisions hereof. Notwithstanding the foregoing, repayment of this Note may be amortized upon the Maturity Date in accordance with Section 4.2. This convertible promissory note (the "Note") is issued pursuant to the terms of that certain Securities Purchase Agreement (the "Purchase Agreement") by and between the Company and the Holder, and may be prepaid or converted into common stock of the Company, par value \$0.001 per share (the "Common Stock") as set forth herein. By acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

The following terms shall apply to this Note:

#### ARTICLE I. MANNER OF PAYMENT

1.1 Method of Payment. All payments hereunder shall be made in lawful money of the United States of America no later than 5:00 PM on the date on which such payment is due by check, certified check payable to the Holder, or by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to the Company from time to time.

1.2 Business Day Convention. Whenever any amount expressed to be due by the terms of this Note is due on any day that is not a business day, the same shall instead be due on the next succeeding business day. As used in this Note, the term "business day" shall mean 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.

#### ARTICLE II. INTEREST

2.1 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Note shall bear interest at a rate (the "Interest Rate") of \_\_\_\_\_ (%) per annum from the date hereof and shall continue on the outstanding principal amount of the Note until paid or converted in full in accordance with the provisions hereof.

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2.2 Interest Payments. The Company shall pay interest in cash to the Holder (i) monthly in arrears, on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Issue Date, (ii) on each Conversion Date (as to that principal amount then being converted, less any such interest amount then being converted), (iii) on each Prepayment Date (as to that principal amount then being paid), and (iv) on the Maturity Date (as to that principal amount then being paid, if any) (each such date, an “Interest Payment Date”).

2.3 Interest Calculations. Interest shall be calculated on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue on the Issue Date but shall not accrue on any Conversion Date (as to that principal amount then being converted), on any Prepayment Date (as to that principal amount then being paid), on the Maturity Date (as to that principal amount then being paid, if any), or on up to the first 10 calendar days of each month wherein an Amortization Payment is being made pursuant to Section 4.2 (as to that principal amount then being paid).

2.4 Default Interest. Upon an Event of Default (as defined in Section 6.1), the Interest Rate shall increase to twelve percent (12%) per annum from the date thereof until cured or waived.

2.5 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Note shall exceed the maximum rate of interest permitted to be charged by the Holder to the Company under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law. That portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest permitted by applicable law shall be deemed a voluntary prepayment of principal.

### ARTICLE III. CONVERSION

3.1 Method of Conversion. At any time while this Note is outstanding, this Note shall be convertible, in whole or in part, into shares (the “Conversion Shares”) of Common Stock at the Conversion Price (as defined below), at the option of the Holder, at any time and from time to time. The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Exhibit I (each, a “Notice of Conversion”), specifying therein the outstanding principal amount of this Note, plus at the Holder’s option, any accrued and unpaid interest thereon, to be converted and the date on which such conversion shall be effected (such date, a “Conversion Date”). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder.

3.2 Conversion Price. The conversion price (the “Conversion Price”) per share of Common Stock in effect on any Conversion Date shall be equal to \$\_\_\_\_, subject to adjustment as provided below.

(a) Adjustment Upon Stock Split. If at any time while this Note is outstanding, the Company: (i) subdivides outstanding shares of Common Stock into a larger number of shares, (ii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iii) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be equitably adjusted. Any adjustment made pursuant to this Section 3.2(a) shall become effective immediately after the effective date of the subdivision, combination, or re-classification.

#### 3.3 Mechanics of Conversion

(a) Conversion Shares Issuable Upon Conversion. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note to be converted, plus any accrued and unpaid interest thereon to be converted, by (y) the Conversion Price.

(b) No Fractional Shares Upon Conversion. No fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share that the Holder would otherwise be entitled to upon such conversion, the Company shall at its election, either pay a cash adjustment in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(c) Delivery of Certificate Upon Conversion. On the Conversion Date, or promptly thereafter, the Company shall issue and deliver or cause to be issued and delivered a certificate or certificates representing the Conversion Shares.

(d) Surrender of Note Upon Conversion. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire outstanding principal amount of this Note, plus all accrued and unpaid interest thereon, is to be converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note and accrued and unpaid interest thereon, in an amount equal to the applicable conversion, and all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Conversion Shares, as provided herein. The Holder and the Company shall maintain records showing the principal and interest amount(s) converted and the date of such conversion(s). In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.

(e) Authorized Shares. The Company shall reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note. The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable.

#### ARTICLE IV. REPAYMENT

4.1 Prepayment. Notwithstanding anything to the contrary contained in this Note, the Company may prepay the amounts outstanding hereunder pursuant to the following terms and conditions:

(a) At any time while this Note is outstanding, the Company shall have the right, exercisable on not less than five (5) trading days prior written notice (a "Prepayment Notice") to the Holder, to prepay the Note (outstanding principal and accrued interest), in whole or in part, without penalty.

(b) Notwithstanding the Prepayment Notice, upon receipt of such notice and prior to the prepayment date (the "Prepayment Date") specified by the Company in the Prepayment Notice, the Holder may elect to convert any outstanding portion of the Note, including any accrued interest, by submitting a Notice of Conversion to the Company as set forth in this Note.

4.2 Repayment Amortization Upon Maturity. If this Note, or any portion thereof, remains outstanding upon the Maturity Date, then repayment of the unpaid and unconverted principal amount of this Note, shall be amortized over the following thirty-six (36) months, with monthly payments (each, an "Amortization Payment") to be made on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Maturity Date. Until this Note is repaid or converted in full, the Holder shall continue to have all rights as a holder of this Note.

## ARTICLE V. CERTAIN COVENANTS

5.1 Sale or Disposition of Assets. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, sell, lease, or otherwise dispose of all or substantially all of its assets outside the ordinary course of business unless the proceeds of any disposition of its assets shall be used to repay this Note.

5.2 Non-Circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

## ARTICLE VI. EVENTS OF DEFAULT

6.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

(a) Failure to Pay Principal or Interest. The Company fails to pay any outstanding portion of this Note when due and such non-payment continues for a period of fifteen (15) days.

(b) Failure to Deliver Conversion Shares. The Company fails to issue and deliver or cause to issue and deliver the Conversion Shares to the Holder for a period of fifteen (15) days from the Conversion Date, provided that, an Event of Default shall not occur under this Section 6.1(b) if the Company shall have delivered proper issuance instructions for the Conversion Shares to its stock transfer agent prior to such date.

(c) Breach of Covenants. The Company breaches any material covenant or other material term or condition contained in this Note or any other Transaction Documents and such breach continues for a period of fifteen (15) days.

(d) Breach of Representations or Warranties. Any representation or warranty of the Company made in this Note or any other Transaction Documents shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or any other Transaction Documents, and such breach continues for a period of fifteen (15) days.

(e) Bankruptcy. Bankruptcy, insolvency, reorganization, or liquidation proceedings, or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company; or the Company admits in writing its inability to pay its debts generally as they mature, provided that, any disclosure of the Company's ability to continue as a "going concern" shall not be an admission that the Company cannot pay its debts as they become due; or the Company or any subsidiary of the Company shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or any dissolution, liquidation, or winding up of Company or any substantial portion of its business.

(f) Change of Control. The occurrence after the date hereof of any of (a) an acquisition by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 50% of the voting securities of the Company, other than in connection with an underwritten public offering, (b) the Company consummates a merger or similar transaction, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the Company or the successor entity of such transaction, or (c) the Company sells or transfers all or substantially all of its assets and the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a two year period of more than half of the members of the Board of Directors, if not approved by a majority of the Board of Directors, (e) David G. Watumull and David M. Watumull shall both have been terminated by the Company as Chief Executive Officer and Chief Operating Officer other than for cause, or (f) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (e) above

(g) Judgments. Any money judgment, writ, or similar process shall be entered or filed against the Company or any subsidiary of the Company or any of its property or other assets for more than \$500,000, and shall remain unvacated, unbonded, or unstayed for a period of one-hundred eighty (180) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

(h) Delisting of Common Stock. The Company shall fail to maintain the listing of the Common Stock on the OTCQB or on the principal securities exchange or other securities market on which the Common Stock is then being traded, and such delisting continues for a period of fifteen (15) days.

6.2 Remedies Upon Event of Default. Upon an Event of Default, interest on this Note shall accrue pursuant to Section 2.4, and the outstanding principal amount of this Note, plus accrued and unpaid interest, shall become, at the Holder’s election, immediately due and payable in cash. In lieu of cash payment, the Holder may elect to receive from time to time all or part of the outstanding principal amount of this Note, plus accrued and unpaid interest, in Conversion Shares. Such acceleration may be rescinded and annulled by the Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

[signature page follows]

IN WITNESS WHEREOF, Company has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT I  
NOTICE OF CONVERSION

The undersigned hereby elects to convert \$ \_\_\_\_\_ principal amount of the Note (defined below) together with \$ \_\_\_\_\_ of accrued and unpaid interest thereto, totaling \$ \_\_\_\_\_ into that number of shares of Common Stock of Cardax, Inc., a Delaware corporation (the "Company"), to be issued pursuant to the conversion of the Note as set forth below, according to the conditions of the convertible promissory note of the Company dated as of September 22, 2020 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any. This Notice of Conversion is irrevocable unless otherwise agreed by the Company.

Delivery instructions:

- The Company shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer"), provided that such shares are eligible for deposit.

Name of DTC Prime Broker: \_\_\_\_\_  
DTC Participant Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_

- The undersigned hereby requests that the Company issue the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) and form specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Form:  Physical Certificate  Book Entry

Date of Conversion:	_____
Applicable Conversion Price:	\$ _____
Number of Shares of Common Stock to be Issued Pursuant to Conversion of the Note:	_____
Amount of Principal Balance Due Remaining Under the Note after this Conversion:	\$ _____
Accrued and Unpaid Interest Remaining:	\$ _____

\_\_\_\_\_  
[Name of Holder]

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

WARRANT NUMBER

G \_\_\_\_\_

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER 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.

THIS CERTIFIES THAT, for value received, \_\_\_\_\_ (together with its successors and assigns, the "**Holder**"), commencing September 22, 2020 (the "**Date of Issue**") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.3), that number of fully paid and non-assessable shares (the "**Shares**") of common stock, par value \$0.001 per share ("**Common Stock**"), of Cardax, Inc., a Delaware corporation (the "**Company**"), that is not more than the Warrant Share Number (as defined in Section 1.1), subject to the further provisions of this warrant to purchase newly issued shares of Common Stock (the "**Warrant**"), at the Warrant Exercise Price (as defined in Section 1.2), subject to the further provisions of this Warrant.

**1. EXERCISE OF WARRANT**

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1. Warrant.

- (a) The Company hereby issues to the Holder this Warrant.
-



(b) The number of Shares that the Holder is entitled to purchase under the terms and conditions of this Warrant (the "*Warrant Share Number*") is equal to \_\_\_\_\_ Shares.

(c) For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section 1.1(c):

(i) "*Affiliate*" shall have the meaning ascribed to such term under the Securities Act and the regulations promulgated thereunder.

(ii) "*Business Day*" shall mean any date that the banks and the securities markets are in New York, New York open for business for the conduct of business in the regular course on such date.

(iii) "*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

(iv) "*Person*" shall mean any individual, trust or entity or governmental authority or agency.

1.2. The Warrant Exercise Price. The exercise price for the Warrant (the "*Warrant Exercise Price*") shall be equal, per share, to \$\_\_\_\_, subject to adjustment as provided in Section 4:

1.3. Method of Exercise.

(a) The Holder of this Warrant may exercise, in whole or in part, the purchase rights evidenced by this Warrant during the period commencing on the Date of Issue of this Warrant and ending on September 22, 2025, unless extended by the Company in its sole discretion (the "*Exercise Period*"). Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto (a "*Notice of Exercise*"), to the Secretary of the Company at its principal offices;

(ii) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(iii) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

(b) Conditions to Exercise of the Warrant.

(i) Notwithstanding the provisions of any provision of this Warrant, including Section 1.3, the exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act and all applicable state securities laws or the Shares are duly registered under the Securities Act. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

(ii) Notwithstanding anything to the contrary contained herein, the number of Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act (the "**Beneficial Ownership**"), does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise) (the "**Maximum Percentage**"). For the avoidance of doubt, except as otherwise provided herein in connection with a transaction described in Section 4.3 (a "**Fundamental Transaction**"), this Warrant may not be exercised in whole or in part if the Holder's Beneficial Ownership (as calculated herein) exceeds the Maximum Percentage prior to such exercise. For such purposes, "**Beneficial Ownership**" shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction of this Warrant or under any other provision of Section 4. This restriction may not be waived except by the Holder providing a notice to the Company as provided herein. For any reason at any time, upon the written or oral request of the Holder, the Company shall promptly confirm in writing (which may be by electronic mail) to the Holder the number of shares of Common Stock then outstanding. To the extent that the limitation contained in this Section 1.3(b)(ii) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which a portion of this Warrant is exercisable shall be in the sole discretion of a Holder, and the submission of a Notice of Exercise shall be deemed to be each Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination other than its obligation in this Section 1.3(b)(ii) above to, upon the Holder's request, confirm in writing to the Holder the number of shares of Common Stock then outstanding. Notwithstanding any provision of this Section 1.3(b)(ii) to the contrary, the limitations on the exercise of this Warrant under this Section 1.3(b)(ii) shall not be applicable from and after the date that is 61 days after the date that the Holder provides written notice to the Company that the Holder elects to have Beneficial Ownership of the Company's Common Stock in excess of the Maximum Percentage, in which case such Holder shall have the right to exercise this Warrant without the limitations of this Section 1.3(b)(ii); provided, that the limitations of this Section 1.3(b)(ii) shall again be applicable to any assignee of this Warrant until 61 days after such assignee provides such notice to the Company.

1.4. Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.5. Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.6. Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

## 2. TRANSFER RESTRICTIONS

2.1. Transfer. This Warrant and the Shares issuable upon exercise hereof are “restricted securities” as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Holder, the Company may require the transferor 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 the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant and the Agreement and shall have the rights and obligations of a Holder under this Warrant and the Agreement.

### 2.2. Legend.

(a) The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(b) Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof 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 this Warrant or such Shares issuable upon exercise hereof 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 Commission).

2.3. Sale. The Holder agrees that the Holder will sell this Warrant or any Shares issuable upon exercise hereof 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 this Warrant or any Shares issuable upon exercise hereof 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 Shares or this Warrant is predicated upon the Company's reliance upon this understanding.

### 3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

### 4. ANTIDILUTION PROVISIONS

4.1. Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2. Reclassification, Exchange and Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3. Reorganizations, Mergers, Consolidations or Sale of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

## 5. RESERVATION OF STOCK ISSUABLE UPON EXERCISE

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

## 6. RIGHTS PRIOR TO EXERCISE OF WARRANT

6.1. This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

## 7. SUCCESSORS AND ASSIGNS

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

## 8. LOSS OR MUTILATION

8.1. Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

8.2. The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

## 9. TERMINATION DATE

This Warrant shall terminate upon the sooner of (a) the expiration of the Exercise Period; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

## 10. GOVERNING LAW

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

## 11. HEADINGS

The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

## 12. AMENDMENTS

The terms and conditions of this Warrant shall not be amended, modified or supplemented other than in accordance with a written amendment signed by the Holder and the Company that specifically provides for such amendment, modification or supplement.

### 13. NOTICES

All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Warrant Register, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section 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 or facsimile 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.

### 14. SEVERABILITY

If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

### 15. WARRANT REGISTER AND OWNERSHIP

Each Warrant issued by the Company shall be numbered and shall be registered in a warrant register (the "*Warrant Register*") as it is issued and transferred, which Warrant Register shall be maintained by the Company at its principal office or, at the Company's election and expense, by a Warrant Agent or the Company's transfer agent. The Company shall be entitled to treat the registered Holder of any Warrant on the Warrant Register as the owner in fact thereof and the Holder for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other Person, and shall not be affected by any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes. Subject to Section 10, a Warrant, if properly assigned, may be exercised by a new holder without a new Warrant first having been issued.

### 16. CERTAIN OTHER PROVISIONS

16.1. Any reference to an action or event to occur on a specified date that is not a Business Day shall be a reference to the immediately following Business Day.

16.2. Any calculations of the number of Shares to be issued upon the exercise of this Warrant, in whole or in part, shall be made by the Company and, absent manifest error, such calculation shall be conclusive and binding.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]**



In Witness Whereof, the parties have executed this Warrant as of the date first written above.

**COMPANY**

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRANSFER AGENT AND REGISTRAR**

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

NOTICE OF WARRANT EXERCISE

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

Gentlemen:

The undersigned, , hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, shares of the common stock (*Common Stock*) of Cardax, Inc. Payment of the purchase price of \_\_\_\_\_ per Share required under such Warrant accompanies this notice.

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

By its delivery of this Notice of Warrant Exercise, the undersigned represents and warrants to the Company that (unless indicated below) in giving effect to the exercise evidenced hereby the Holder will not beneficially own in excess of the number of shares of Common Stock (determined in accordance with Section 13(d) of the Securities Exchange Act of 1934) permitted to be owned under Section 1.3(b)(ii) of this Warrant to which this notice relates.

If the number of shares of Common Stock purchased (and/or canceled) hereby is less than the number of shares of Common Stock covered by the Warrant, the undersigned requests that a new Warrant representing the number of shares of Common Stock not so purchased (or canceled) be issued and delivered as follows:

ISSUE TO:

\_\_\_\_\_  
(NAME OF HOLDER)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER)

DELIVER TO:

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

DATED: \_\_\_\_\_, \_\_\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



**ASSIGNMENT FORM**

(To assign the foregoing warrant, execute  
this form and supply required information.  
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [\_\_\_\_\_] all of or [\_\_\_\_\_] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

\_\_\_\_\_ whose address is

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

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## SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of September 28, 2020, by and between Cardax, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Purchaser"). Certain capitalized terms used in this Agreement are defined in Section 1.1.

WHEREAS, the Company is a public company with its shares of common stock, par value \$0.001 per share (the "Common Stock") traded on the OTCQB under the symbol "CDXI";

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, subject to the terms and conditions set forth in this Agreement the Company desires to sell to the Purchaser and the Purchaser desires to purchase the "Securities" (as defined below) for aggregate consideration of \$ \_\_\_\_\_:

(a) a convertible promissory note (the "Note"), in the form attached hereto as Exhibit I, with an aggregate principal amount of \$ \_\_\_\_\_, convertible into shares of Common Stock at \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents; and

(b) a warrant (the "Warrant"), in the form attached hereto as Exhibit II, exercisable for 5 years from issuance, to purchase \_\_\_\_\_ shares of Common Stock at a price per share of \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents.

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.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the date of this Agreement.

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“Company Sub” means Cardax Pharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“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.

“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).

“Securities” means the Note, the Warrant, and any shares of Common Stock issued or issuable to the Purchaser under the Note and the Warrant.

“Securities Purchase Amount” means the aggregate amount to be paid for the Securities, which amount shall be paid by the Purchaser making a payment to the Company as provided in this Agreement.

“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.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or the OTC Bulletin Board (or any successors to any of the foregoing).

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

## **ARTICLE II PURCHASE AND SALE**

### **2.1 Closing.**

(a) On the Closing Date, the Purchaser shall purchase the Securities and the Company shall issue the Securities.

### **2.2 Deliveries.**

(a) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company a check or wire transfer of the Securities Purchase Amount of the Purchaser in accordance with the check or wire transfer instructions set forth on Schedule A to this Agreement.

(b) On the Closing Date, the Company and the Purchaser shall close the purchase and sale of the Securities and the Company shall promptly deliver or cause to be delivered to the Purchaser evidence of the issuance and delivery of the Securities by appropriate instructions to the stock transfer agent of the Company.

**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 the Closing Date (unless such representation is made as of a specific date therein in which case such representation and warranty shall be accurate as of such date):

(a) Organization and Qualification. Each of the Company and the Company Sub is an entity duly incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted.

(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) 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 Securities to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market applicable to the Company.

(d) SEC Filings. The documents (the "SEC Filings") that have been filed by the Company with the SEC do not (as amended and supplemented) contain a material misstatement of fact or does not omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, as interpreted by the Exchange Act.

(e) Financing Needs. The Company requires immediate financing through the offering of the securities under this Agreement to acquire additional funds for certain working capital and general corporate purposes that are due and payable within 30 days and if not paid would cause a material adverse effect to the Company, including the payment of payroll and other cash compensation and insurance. Accordingly, the purpose of the offering under this Agreement is different than the planned use of proceeds from the public offering described in the Registration Statement.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization: Authority.

(i) The Purchaser is either an individual or an entity that is duly incorporated or formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company, or similar 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.

(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 corporate, partnership, limited liability company, or similar action, 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: (a) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (c) 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 Securities hereunder in the ordinary course of its business or investment strategy.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is an "accredited investor" as defined in Rule 501 under the Securities Act; or (ii) a Non U.S. Person within the meaning of Regulation S under the Securities Act. The information provided by the Purchaser to the Company in the Certificate of Accredited Investor Status is true and correct.

(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) No Short Sales. The Purchaser shall not directly or indirectly, nor shall any Person acting on behalf of or pursuant to any understanding with the Purchaser, execute any Short Sales of the securities of the Company while the Note is outstanding.

(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: (a) 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; (b) 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 (c) 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. The Purchaser acknowledges that it has had information about the Company based on its investments in the Company and by reference to the SEC Filings other than the Registration Statement.

(iii) The Purchaser and/or Purchaser's advisor acknowledges that it has received and reviewed the SEC Filings, including the summary of risks contained in the "Risk Factors" sections in such documents and Schedule B 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 B, 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. 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.

(g) Solicitation. The Purchaser acknowledges that it did not become interested in the purchase of securities to be issued by the Company through any general solicitation or advertisement, including the Registration Statement. The Purchaser acknowledges that it has a substantive, preexisting personal investment relationship with the Company based on its ownership of Common Stock and several investments by the Purchaser. The Purchaser was solicited by the Company via direct solicitation by the Chief Executive Officer of the Company (the "CEO"), who has a personal relationship with the Purchaser, and a determination by the CEO that the Purchaser has the means and is likely to continue its investment interest in the Company. The Purchaser acknowledges that it was solicited by the Company for interest in the securities to be issued by the Company under this Agreement and that the Purchaser was not identified or contacted through the marketing of the public offering under the Registration Statement and the Purchaser did not independently contact the Company as a result of any solicitation by any broker dealer, including the lead underwriter specified in the Registration Statement.

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 hereby.

#### **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:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER EITHER 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).

(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. Except with respect to the material terms and conditions of the transaction contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide the Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto the Purchaser, agent, or counsel shall have entered into a written agreement with the Company regarding the confidentiality and use of such information or such Person is otherwise obligated to maintain the confidentiality of such information and not use such information in violation of applicable law. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in evaluating and providing any information it receives in connection with its consideration of purchasing the Securities.

4.3 Use of Proceeds. The Company will use the proceeds from this transaction for its general corporate purposes.

4.4 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  
MISCELLANEOUS**

5.1 Fees and Expenses. 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.

5.2 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.

5.3 Notices. 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. The Purchaser may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Company. The Company may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Purchaser then a party to this Agreement. In each case, such corrected information to be effective only upon delivery of such notice. 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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.

5.8 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.

5.9 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.

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

5.11 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 delivered by email delivery of a ".pdf" format data 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 ".pdf" signature page was an original thereof.

5.12 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.

5.13 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.

5.14 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]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
[Name of Purchaser]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE A**

Check and Wire Transfer Instructions

[provided separately]

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## SCHEDULE B

### 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 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 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 equal 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 affected.

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.

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NEITHER THIS SECURITY NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS CONVERSION HAVE BEEN REGISTERED UNDER EITHER 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.

Principal Amount: \$ \_\_\_\_\_  
Purchase Price: \$ \_\_\_\_\_

Issue Date: September 28, 2020

### CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, Cardax, Inc., a Delaware corporation (the "Company"), hereby promises to pay to the order of \_\_\_\_\_ (together with its successors and assigns, the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of \$ \_\_\_\_\_ on \_\_\_\_\_ (the "Maturity Date"), unless extended by mutual written agreement of the parties, or such earlier date as required or permitted hereunder, and to pay interest to the Holder on the outstanding principal amount in accordance with the provisions hereof. Notwithstanding the foregoing, repayment of this Note may be amortized upon the Maturity Date in accordance with Section 4.2. This convertible promissory note (the "Note") is issued pursuant to the terms of that certain Securities Purchase Agreement (the "Purchase Agreement") by and between the Company and the Holder, and may be prepaid or converted into common stock of the Company, par value \$0.001 per share (the "Common Stock") as set forth herein. The Company acknowledges that the principal amount of this Note exceeds its purchase price and that such excess is an original issue discount of \_\_\_\_\_ (%), which shall be fully earned and charged to the Company upon the execution of this Note, and shall be paid to the Holder as part of the outstanding principal amount set forth in this Note. By acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

The following terms shall apply to this Note:

#### ARTICLE I. MANNER OF PAYMENT

1.1 Method of Payment. All payments hereunder shall be made in lawful money of the United States of America no later than 5:00 PM on the date on which such payment is due by check, certified check payable to the Holder, or by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to the Company from time to time.

1.2 Business Day Convention. Whenever any amount expressed to be due by the terms of this Note is due on any day that is not a business day, the same shall instead be due on the next succeeding business day. As used in this Note, the term "business day" shall mean 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.

#### ARTICLE II. INTEREST

2.1 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Note shall bear interest at a rate (the "Interest Rate") of \_\_\_\_\_ (%) per annum from the date hereof and shall continue on the outstanding principal amount of the Note until paid or converted in full in accordance with the provisions hereof.

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2.2 Interest Payments. The Company shall pay interest in cash to the Holder (i) monthly in arrears, on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Issue Date, (ii) on each Conversion Date (as to that principal amount then being converted, less any such interest amount then being converted), (iii) on each Prepayment Date (as to that principal amount then being paid), and (iv) on the Maturity Date (as to that principal amount then being paid, if any) (each such date, an “Interest Payment Date”).

2.3 Interest Calculations. Interest shall be calculated on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue on the Issue Date but shall not accrue on any Conversion Date (as to that principal amount then being converted), on any Prepayment Date (as to that principal amount then being paid), on the Maturity Date (as to that principal amount then being paid, if any), or on up to the first 10 calendar days of each month wherein an Amortization Payment is being made pursuant to Section 4.2 (as to that principal amount then being paid).

2.4 Default Interest. Upon an Event of Default (as defined in Section 6.1), the Interest Rate shall increase to twelve percent (12%) per annum from the date thereof until cured or waived.

2.5 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Note shall exceed the maximum rate of interest permitted to be charged by the Holder to the Company under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law. That portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest permitted by applicable law shall be deemed a voluntary prepayment of principal.

### ARTICLE III. CONVERSION

3.1 Method of Conversion. At any time while this Note is outstanding, this Note shall be convertible, in whole or in part, into shares (the “Conversion Shares”) of Common Stock at the Conversion Price (as defined below), at the option of the Holder, at any time and from time to time. The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Exhibit I (each, a “Notice of Conversion”), specifying therein the outstanding principal amount of this Note, plus at the Holder’s option, any accrued and unpaid interest thereon, to be converted and the date on which such conversion shall be effected (such date, a “Conversion Date”). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder.

3.2 Conversion Price. The conversion price (the “Conversion Price”) per share of Common Stock in effect on any Conversion Date shall be equal to \$\_\_\_\_, subject to adjustment as provided below.

(a) Adjustment Upon Stock Split. If at any time while this Note is outstanding, the Company: (i) subdivides outstanding shares of Common Stock into a larger number of shares, (ii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iii) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be equitably adjusted. Any adjustment made pursuant to this Section 3.2(a) shall become effective immediately after the effective date of the subdivision, combination, or re-classification.

#### 3.3 Mechanics of Conversion

(a) Conversion Shares Issuable Upon Conversion. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note to be converted, plus any accrued and unpaid interest thereon to be converted, by (y) the Conversion Price.



(b) No Fractional Shares Upon Conversion. No fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share that the Holder would otherwise be entitled to upon such conversion, the Company shall at its election, either pay a cash adjustment in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(c) Delivery of Certificate Upon Conversion. On the Conversion Date, or promptly thereafter, the Company shall issue and deliver or cause to be issued and delivered a certificate or certificates representing the Conversion Shares.

(d) Surrender of Note Upon Conversion. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire outstanding principal amount of this Note, plus all accrued and unpaid interest thereon, is to be converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note and accrued and unpaid interest thereon, in an amount equal to the applicable conversion, and all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Conversion Shares, as provided herein. The Holder and the Company shall maintain records showing the principal and interest amount(s) converted and the date of such conversion(s). In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.

(e) Authorized Shares. The Company shall reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note. The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable.

#### ARTICLE IV. REPAYMENT

4.1 Prepayment. Notwithstanding anything to the contrary contained in this Note, the Company may prepay the amounts outstanding hereunder pursuant to the following terms and conditions:

(a) At any time while this Note is outstanding, the Company shall have the right, exercisable on not less than five (5) trading days prior written notice (a "Prepayment Notice") to the Holder, to prepay the Note (outstanding principal and accrued interest), in whole or in part, without penalty.

(b) Notwithstanding the Prepayment Notice, upon receipt of such notice and prior to the prepayment date (the "Prepayment Date") specified by the Company in the Prepayment Notice, the Holder may elect to convert any outstanding portion of the Note, including any accrued interest, by submitting a Notice of Conversion to the Company as set forth in this Note.

4.2 Repayment Amortization Upon Maturity. If this Note, or any portion thereof, remains outstanding upon the Maturity Date, then repayment of the unpaid and unconverted principal amount of this Note, shall be amortized over the following thirty-six (36) months, with monthly payments (each, an "Amortization Payment") to be made on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Maturity Date. Until this Note is repaid or converted in full, the Holder shall continue to have all rights as a holder of this Note.

## ARTICLE V. CERTAIN COVENANTS

5.1 Sale or Disposition of Assets. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, sell, lease, or otherwise dispose of all or substantially all of its assets outside the ordinary course of business unless the proceeds of any disposition of its assets shall be used to repay this Note.

5.2 Non-Circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

## ARTICLE VI. EVENTS OF DEFAULT

6.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

(a) Failure to Pay Principal or Interest. The Company fails to pay any outstanding portion of this Note when due and such non-payment continues for a period of fifteen (15) days.

(b) Failure to Deliver Conversion Shares. The Company fails to issue and deliver or cause to issue and deliver the Conversion Shares to the Holder for a period of fifteen (15) days from the Conversion Date, provided that, an Event of Default shall not occur under this Section 6.1(b) if the Company shall have delivered proper issuance instructions for the Conversion Shares to its stock transfer agent prior to such date.

(c) Breach of Covenants. The Company breaches any material covenant or other material term or condition contained in this Note or any other Transaction Documents and such breach continues for a period of fifteen (15) days.

(d) Breach of Representations or Warranties. Any representation or warranty of the Company made in this Note or any other Transaction Documents shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or any other Transaction Documents, and such breach continues for a period of fifteen (15) days.

(e) Bankruptcy. Bankruptcy, insolvency, reorganization, or liquidation proceedings, or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company; or the Company admits in writing its inability to pay its debts generally as they mature, provided that, any disclosure of the Company's ability to continue as a "going concern" shall not be an admission that the Company cannot pay its debts as they become due; or the Company or any subsidiary of the Company shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or any dissolution, liquidation, or winding up of Company or any substantial portion of its business.

(f) Change of Control. The occurrence after the date hereof of any of (a) an acquisition by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 50% of the voting securities of the Company, other than in connection with an underwritten public offering, (b) the Company consummates a merger or similar transaction, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the Company or the successor entity of such transaction, or (c) the Company sells or transfers all or substantially all of its assets and the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a two year period of more than half of the members of the Board of Directors, if not approved by a majority of the Board of Directors, (e) David G. Watumull and David M. Watumull shall both have been terminated by the Company as Chief Executive Officer and Chief Operating Officer other than for cause, or (f) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (e) above

(g) Judgments. Any money judgment, writ, or similar process shall be entered or filed against the Company or any subsidiary of the Company or any of its property or other assets for more than \$500,000, and shall remain unvacated, unbonded, or unstayed for a period of one-hundred eighty (180) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

(h) Delisting of Common Stock. The Company shall fail to maintain the listing of the Common Stock on the OTCQB or on the principal securities exchange or other securities market on which the Common Stock is then being traded, and such delisting continues for a period of fifteen (15) days.

6.2 Remedies Upon Event of Default. Upon an Event of Default, interest on this Note shall accrue pursuant to Section 2.4, and the outstanding principal amount of this Note, plus accrued and unpaid interest, shall become, at the Holder’s election, immediately due and payable in cash. In lieu of cash payment, the Holder may elect to receive from time to time all or part of the outstanding principal amount of this Note, plus accrued and unpaid interest, in Conversion Shares. Such acceleration may be rescinded and annulled by the Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

[signature page follows]

IN WITNESS WHEREOF, Company has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT I  
NOTICE OF CONVERSION

The undersigned hereby elects to convert \$ \_\_\_\_\_ principal amount of the Note (defined below) together with \$ \_\_\_\_\_ of accrued and unpaid interest thereto, totaling \$ \_\_\_\_\_ into that number of shares of Common Stock of Cardax, Inc., a Delaware corporation (the "Company"), to be issued pursuant to the conversion of the Note as set forth below, according to the conditions of the convertible promissory note of the Company dated as of September 28, 2020 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any. This Notice of Conversion is irrevocable unless otherwise agreed by the Company.

Delivery instructions:

- The Company shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer"), provided that such shares are eligible for deposit.

Name of DTC Prime Broker: \_\_\_\_\_  
DTC Participant Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_

- The undersigned hereby requests that the Company issue the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) and form specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Form:  Physical Certificate  Book Entry

Date of Conversion:	_____
Applicable Conversion Price:	\$ _____
Number of Shares of Common Stock to be Issued Pursuant to Conversion of the Note:	_____
Amount of Principal Balance Due Remaining Under the Note after this Conversion:	\$ _____
Accrued and Unpaid Interest Remaining:	\$ _____

\_\_\_\_\_  
[Name of Holder]

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

WARRANT NUMBER

G \_\_\_\_\_

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER 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.

THIS CERTIFIES THAT, for value received, \_\_\_\_\_ (together with its successors and assigns, the "**Holder**"), commencing September 28, 2020 (the "**Date of Issue**") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.3), that number of fully paid and non-assessable shares (the "**Shares**") of common stock, par value \$0.001 per share ("**Common Stock**"), of Cardax, Inc., a Delaware corporation (the "**Company**"), that is not more than the Warrant Share Number (as defined in Section 1.1), subject to the further provisions of this warrant to purchase newly issued shares of Common Stock (the "**Warrant**"), at the Warrant Exercise Price (as defined in Section 1.2), subject to the further provisions of this Warrant.

1. EXERCISE OF WARRANT

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1. Warrant.

- (a) The Company hereby issues to the Holder this Warrant.
-

(b) The number of Shares that the Holder is entitled to purchase under the terms and conditions of this Warrant (the "**Warrant Share Number**") is equal to \_\_\_\_\_ Shares.

(c) For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section 1.1(c):

(i) "**Affiliate**" shall have the meaning ascribed to such term under the Securities Act and the regulations promulgated thereunder.

(ii) "**Business Day**" shall mean any date that the banks and the securities markets are in New York, New York open for business for the conduct of business in the regular course on such date.

(iii) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

(iv) "**Person**" shall mean any individual, trust or entity or governmental authority or agency.

1.2. The Warrant Exercise Price. The exercise price for the Warrant (the "**Warrant Exercise Price**") shall be equal, per share, to \$\_\_\_\_, subject to adjustment as provided in Section 4:

1.3. Method of Exercise.

(a) The Holder of this Warrant may exercise, in whole or in part, the purchase rights evidenced by this Warrant during the period commencing on the Date of Issue of this Warrant and ending on September 28, 2025, unless extended by the Company in its sole discretion (the "**Exercise Period**"). Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto (a "**Notice of Exercise**"), to the Secretary of the Company at its principal offices;

(ii) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(iii) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

(b) Conditions to Exercise of the Warrant.

(i) Notwithstanding the provisions of any provision of this Warrant, including Section 1.3, the exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act and all applicable state securities laws or the Shares are duly registered under the Securities Act. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

(ii) Notwithstanding anything to the contrary contained herein, the number of Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act (the "**Beneficial Ownership**"), does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise) (the "**Maximum Percentage**"). For the avoidance of doubt, except as otherwise provided herein in connection with a transaction described in Section 4.3 (a "**Fundamental Transaction**"), this Warrant may not be exercised in whole or in part if the Holder's Beneficial Ownership (as calculated herein) exceeds the Maximum Percentage prior to such exercise. For such purposes, "**Beneficial Ownership**" shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction of this Warrant or under any other provision of Section 4. This restriction may not be waived except by the Holder providing a notice to the Company as provided herein. For any reason at any time, upon the written or oral request of the Holder, the Company shall promptly confirm in writing (which may be by electronic mail) to the Holder the number of shares of Common Stock then outstanding. To the extent that the limitation contained in this Section 1.3(b)(ii) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which a portion of this Warrant is exercisable shall be in the sole discretion of a Holder, and the submission of a Notice of Exercise shall be deemed to be each Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination other than its obligation in this Section 1.3(b)(ii) above to, upon the Holder's request, confirm in writing to the Holder the number of shares of Common Stock then outstanding. Notwithstanding any provision of this Section 1.3(b)(ii) to the contrary, the limitations on the exercise of this Warrant under this Section 1.3(b)(ii) shall not be applicable from and after the date that is 61 days after the date that the Holder provides written notice to the Company that the Holder elects to have Beneficial Ownership of the Company's Common Stock in excess of the Maximum Percentage, in which case such Holder shall have the right to exercise this Warrant without the limitations of this Section 1.3(b)(ii); provided, that the limitations of this Section 1.3(b)(ii) shall again be applicable to any assignee of this Warrant until 61 days after such assignee provides such notice to the Company.



1.4. Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.5. Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.6. Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

## 2. TRANSFER RESTRICTIONS

2.1. Transfer. This Warrant and the Shares issuable upon exercise hereof are “restricted securities” as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Holder, the Company may require the transferor 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 the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant and the Agreement and shall have the rights and obligations of a Holder under this Warrant and the Agreement.

### 2.2. Legend.

(a) The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(b) Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof 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 this Warrant or such Shares issuable upon exercise hereof 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 Commission).

2.3. Sale. The Holder agrees that the Holder will sell this Warrant or any Shares issuable upon exercise hereof 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 this Warrant or any Shares issuable upon exercise hereof 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 Shares or this Warrant is predicated upon the Company's reliance upon this understanding.

### 3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

### 4. ANTIDILUTION PROVISIONS

4.1. Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.2. Reclassification, Exchange and Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3. Reorganizations, Mergers, Consolidations or Sale of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

## 5. RESERVATION OF STOCK ISSUABLE UPON EXERCISE

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

## 6. RIGHTS PRIOR TO EXERCISE OF WARRANT

6.1. This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

## 7. SUCCESSORS AND ASSIGNS

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

## 8. LOSS OR MUTILATION

8.1. Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

8.2. The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

## 9. TERMINATION DATE

This Warrant shall terminate upon the sooner of (a) the expiration of the Exercise Period; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

## 10. GOVERNING LAW

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

## 11. HEADINGS

The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

## 12. AMENDMENTS

The terms and conditions of this Warrant shall not be amended, modified or supplemented other than in accordance with a written amendment signed by the Holder and the Company that specifically provides for such amendment, modification or supplement.

### 13. NOTICES

All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Warrant Register, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section 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 or facsimile 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.

### 14. SEVERABILITY

If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

### 15. WARRANT REGISTER AND OWNERSHIP

Each Warrant issued by the Company shall be numbered and shall be registered in a warrant register (the "*Warrant Register*") as it is issued and transferred, which Warrant Register shall be maintained by the Company at its principal office or, at the Company's election and expense, by a Warrant Agent or the Company's transfer agent. The Company shall be entitled to treat the registered Holder of any Warrant on the Warrant Register as the owner in fact thereof and the Holder for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other Person, and shall not be affected by any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes. Subject to Section 10, a Warrant, if properly assigned, may be exercised by a new holder without a new Warrant first having been issued.

### 16. CERTAIN OTHER PROVISIONS

16.1. Any reference to an action or event to occur on a specified date that is not a Business Day shall be a reference to the immediately following Business Day.

16.2. Any calculations of the number of Shares to be issued upon the exercise of this Warrant, in whole or in part, shall be made by the Company and, absent manifest error, such calculation shall be conclusive and binding.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]**

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

**COMPANY**

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TRANSFER AGENT AND REGISTRAR**

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_

NOTICE OF WARRANT EXERCISE

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

Gentlemen:

The undersigned, , hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, shares of the common stock (*Common Stock*) of Cardax, Inc. Payment of the purchase price of \_\_\_\_\_ per Share required under such Warrant accompanies this notice.

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

By its delivery of this Notice of Warrant Exercise, the undersigned represents and warrants to the Company that (unless indicated below) in giving effect to the exercise evidenced hereby the Holder will not beneficially own in excess of the number of shares of Common Stock (determined in accordance with Section 13(d) of the Securities Exchange Act of 1934) permitted to be owned under Section 1.3(b)(ii) of this Warrant to which this notice relates.

If the number of shares of Common Stock purchased (and/or canceled) hereby is less than the number of shares of Common Stock covered by the Warrant, the undersigned requests that a new Warrant representing the number of shares of Common Stock not so purchased (or canceled) be issued and delivered as follows:

ISSUE TO:

\_\_\_\_\_  
(NAME OF HOLDER)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER)

DELIVER TO:

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

DATED: \_\_\_\_\_, \_\_\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_





**ASSIGNMENT FORM**

(To assign the foregoing warrant, execute  
this form and supply required information.  
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [\_\_\_\_\_] all of or [\_\_\_\_\_] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

\_\_\_\_\_ whose address is

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

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## SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of October 8, 2020, by and between Cardax, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Purchaser"). Certain capitalized terms used in this Agreement are defined in Section 1.1.

WHEREAS, the Company is a public company with its shares of common stock, par value \$0.001 per share (the "Common Stock") traded on the OTCQB under the symbol "CDXI";

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, subject to the terms and conditions set forth in this Agreement the Company desires to sell to the Purchaser and the Purchaser desires to purchase the "Securities" (as defined below) for aggregate consideration of \$ \_\_\_\_\_:

(a) a convertible promissory note (the "Note"), in the form attached hereto as Exhibit I, with an aggregate principal amount of \$ \_\_\_\_\_, convertible into shares of Common Stock at \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents; and

(b) a warrant (the "Warrant"), in the form attached hereto as Exhibit II, exercisable for 5 years from issuance, to purchase \_\_\_\_\_ shares of Common Stock at a price per share of \$ \_\_\_\_\_, subject to adjustment and upon the terms and conditions set forth in the Transaction Documents.

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.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the date of this Agreement.

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“Company Sub” means Cardax Pharma, Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“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.

“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).

“Securities” means the Note, the Warrant, and any shares of Common Stock issued or issuable to the Purchaser under the Note and the Warrant.

“Securities Purchase Amount” means the aggregate amount to be paid for the Securities, which amount shall be paid by the Purchaser making a payment to the Company as provided in this Agreement.

“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.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or the OTC Bulletin Board (or any successors to any of the foregoing).

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

## **ARTICLE II PURCHASE AND SALE**

### **2.1 Closing.**

(a) On the Closing Date, the Purchaser shall purchase the Securities and the Company shall issue the Securities.

### **2.2 Deliveries.**

(a) On the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company a check or wire transfer of the Securities Purchase Amount of the Purchaser in accordance with the check or wire transfer instructions set forth on Schedule A to this Agreement.

(b) On the Closing Date, the Company and the Purchaser shall close the purchase and sale of the Securities and the Company shall promptly deliver or cause to be delivered to the Purchaser evidence of the issuance and delivery of the Securities by appropriate instructions to the stock transfer agent of the Company.

**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 the Closing Date (unless such representation is made as of a specific date therein in which case such representation and warranty shall be accurate as of such date):

(a) Organization and Qualification. Each of the Company and the Company Sub is an entity duly incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted.

(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) 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 Securities to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market applicable to the Company.

(d) SEC Filings. The documents (the "SEC Filings") that have been filed by the Company with the SEC do not (as amended and supplemented) contain a material misstatement of fact or does not omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, as interpreted by the Exchange Act.

(e) Financing Needs. The Company requires immediate financing through the offering of the securities under this Agreement to acquire additional funds for certain working capital and general corporate purposes that are due and payable within 30 days and if not paid would cause a material adverse effect to the Company, including the payment of payroll and other cash compensation and insurance. Accordingly, the purpose of the offering under this Agreement is different than the planned use of proceeds from the public offering described in the Registration Statement.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization: Authority.

(i) The Purchaser is either an individual or an entity that is duly incorporated or formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company, or similar 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.

(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 corporate, partnership, limited liability company, or similar action, 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: (a) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies; and (c) 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 Securities hereunder in the ordinary course of its business or investment strategy.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is an "accredited investor" as defined in Rule 501 under the Securities Act; or (ii) a Non U.S. Person within the meaning of Regulation S under the Securities Act. The information provided by the Purchaser to the Company in the Certificate of Accredited Investor Status is true and correct.

(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) No Short Sales. The Purchaser shall not directly or indirectly, nor shall any Person acting on behalf of or pursuant to any understanding with the Purchaser, execute any Short Sales of the securities of the Company while the Note is outstanding.

(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: (a) 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; (b) 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 (c) 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. The Purchaser acknowledges that it has had information about the Company based on its investments in the Company and by reference to the SEC Filings other than the Registration Statement.

(iii) The Purchaser and/or Purchaser's advisor acknowledges that it has received and reviewed the SEC Filings, including the summary of risks contained in the "Risk Factors" sections in such documents and Schedule B 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 B, 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. 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.

(g) Solicitation. The Purchaser acknowledges that it did not become interested in the purchase of securities to be issued by the Company through any general solicitation or advertisement, including the Registration Statement. The Purchaser acknowledges that it has a substantive, preexisting personal investment relationship with the Company based on its ownership of Common Stock and several investments by the Purchaser. The Purchaser was solicited by the Company via direct solicitation by the Chief Executive Officer of the Company (the "CEO"), who has a personal relationship with the Purchaser, and a determination by the CEO that the Purchaser has the means and is likely to continue its investment interest in the Company. The Purchaser acknowledges that it was solicited by the Company for interest in the securities to be issued by the Company under this Agreement and that the Purchaser was not identified or contacted through the marketing of the public offering under the Registration Statement and the Purchaser did not independently contact the Company as a result of any solicitation by any broker dealer, including the lead underwriter specified in the Registration Statement.

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 hereby.

#### **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:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER EITHER 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).

(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. Except with respect to the material terms and conditions of the transaction contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide the Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto the Purchaser, agent, or counsel shall have entered into a written agreement with the Company regarding the confidentiality and use of such information or such Person is otherwise obligated to maintain the confidentiality of such information and not use such information in violation of applicable law. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in evaluating and providing any information it receives in connection with its consideration of purchasing the Securities.

4.3 Use of Proceeds. The Company will use the proceeds from this transaction for its general corporate purposes.

4.4 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  
MISCELLANEOUS**

5.1 Fees and Expenses. 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.

5.2 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.

5.3 Notices. 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. The Purchaser may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Company. The Company may change the address that notices should be delivered to it by delivering a notice with the corrected information to the Purchaser then a party to this Agreement. In each case, such corrected information to be effective only upon delivery of such notice. 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.

5.4 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.

5.5 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.

5.6 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.



5.7 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.

5.8 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.

5.9 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.

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

5.11 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 delivered by email delivery of a ".pdf" format data 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 ".pdf" signature page was an original thereof.

5.12 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.

5.13 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.

5.14 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]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**CARDAX, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
[Name of Purchaser]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_

**SCHEDULE A**

Check and Wire Transfer Instructions

[provided separately]

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## SCHEDULE B

### 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 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 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 equal 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 affected.

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.

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NEITHER THIS SECURITY NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS CONVERSION HAVE BEEN REGISTERED UNDER EITHER 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.

Principal Amount: \$ \_\_\_\_\_  
Purchase Price: \$ \_\_\_\_\_

Issue Date: October 8, 2020

#### CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, Cardax, Inc., a Delaware corporation (the "Company"), hereby promises to pay to the order of \_\_\_\_\_ (together with its successors and assigns, the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of \$ \_\_\_\_\_ on \_\_\_\_\_ (the "Maturity Date"), unless extended by mutual written agreement of the parties, or such earlier date as required or permitted hereunder, and to pay interest to the Holder on the outstanding principal amount in accordance with the provisions hereof. Notwithstanding the foregoing, repayment of this Note may be amortized upon the Maturity Date in accordance with Section 4.2. This convertible promissory note (the "Note") is issued pursuant to the terms of that certain Securities Purchase Agreement (the "Purchase Agreement") by and between the Company and the Holder, and may be prepaid or converted into common stock of the Company, par value \$0.001 per share (the "Common Stock") as set forth herein. By acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

The following terms shall apply to this Note:

#### ARTICLE I. MANNER OF PAYMENT

1.1 Method of Payment. All payments hereunder shall be made in lawful money of the United States of America no later than 5:00 PM on the date on which such payment is due by check, certified check payable to the Holder, or by wire transfer of immediately available funds to the Holder's account at a bank specified by the Holder in writing to the Company from time to time.

1.2 Business Day Convention. Whenever any amount expressed to be due by the terms of this Note is due on any day that is not a business day, the same shall instead be due on the next succeeding business day. As used in this Note, the term "business day" shall mean 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.

#### ARTICLE II. INTEREST

2.1 Interest Rate. Except as otherwise provided herein, the outstanding principal amount of the Note shall bear interest at a rate (the "Interest Rate") of \_\_\_\_\_ (%) per annum from the date hereof and shall continue on the outstanding principal amount of the Note until paid or converted in full in accordance with the provisions hereof.

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2.2 Interest Payments. The Company shall pay interest in cash to the Holder (i) monthly in arrears, on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Issue Date, (ii) on each Conversion Date (as to that principal amount then being converted, less any such interest amount then being converted), (iii) on each Prepayment Date (as to that principal amount then being paid), and (iv) on the Maturity Date (as to that principal amount then being paid, if any) (each such date, an “Interest Payment Date”).

2.3 Interest Calculations. Interest shall be calculated on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall accrue on the Issue Date but shall not accrue on any Conversion Date (as to that principal amount then being converted), on any Prepayment Date (as to that principal amount then being paid), on the Maturity Date (as to that principal amount then being paid, if any), or on up to the first 10 calendar days of each month wherein an Amortization Payment is being made pursuant to Section 4.2 (as to that principal amount then being paid).

2.4 Default Interest. Upon an Event of Default (as defined in Section 6.1), the Interest Rate shall increase to twelve percent (12%) per annum from the date thereof until cured or waived.

2.5 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Note shall exceed the maximum rate of interest permitted to be charged by the Holder to the Company under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law. That portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest permitted by applicable law shall be deemed a voluntary prepayment of principal.

### ARTICLE III. CONVERSION

3.1 Method of Conversion. At any time while this Note is outstanding, this Note shall be convertible, in whole or in part, into shares (the “Conversion Shares”) of Common Stock at the Conversion Price (as defined below), at the option of the Holder, at any time and from time to time. The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Exhibit I (each, a “Notice of Conversion”), specifying therein the outstanding principal amount of this Note, plus at the Holder’s option, any accrued and unpaid interest thereon, to be converted and the date on which such conversion shall be effected (such date, a “Conversion Date”). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder.

3.2 Conversion Price. The conversion price (the “Conversion Price”) per share of Common Stock in effect on any Conversion Date shall be equal to \$\_\_\_\_, subject to adjustment as provided below.

(a) Adjustment Upon Stock Split. If at any time while this Note is outstanding, the Company: (i) subdivides outstanding shares of Common Stock into a larger number of shares, (ii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iii) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be equitably adjusted. Any adjustment made pursuant to this Section 3.2(a) shall become effective immediately after the effective date of the subdivision, combination, or re-classification.

#### 3.3 Mechanics of Conversion

(a) Conversion Shares Issuable Upon Conversion. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note to be converted, plus any accrued and unpaid interest thereon to be converted, by (y) the Conversion Price.

(b) No Fractional Shares Upon Conversion. No fractional shares shall be issued upon the conversion of this Note. As to any fraction of a share that the Holder would otherwise be entitled to upon such conversion, the Company shall at its election, either pay a cash adjustment in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(c) Delivery of Certificate Upon Conversion. On the Conversion Date, or promptly thereafter, the Company shall issue and deliver or cause to be issued and delivered a certificate or certificates representing the Conversion Shares.

(d) Surrender of Note Upon Conversion. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire outstanding principal amount of this Note, plus all accrued and unpaid interest thereon, is to be converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note and accrued and unpaid interest thereon, in an amount equal to the applicable conversion, and all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Conversion Shares, as provided herein. The Holder and the Company shall maintain records showing the principal and interest amount(s) converted and the date of such conversion(s). In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.

(e) Authorized Shares. The Company shall reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note. The Company represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable.

#### ARTICLE IV. REPAYMENT

4.1 Prepayment. Notwithstanding anything to the contrary contained in this Note, the Company may prepay the amounts outstanding hereunder pursuant to the following terms and conditions:

(a) At any time while this Note is outstanding, the Company shall have the right, exercisable on not less than five (5) trading days prior written notice (a "Prepayment Notice") to the Holder, to prepay the Note (outstanding principal and accrued interest), in whole or in part, without penalty.

(b) Notwithstanding the Prepayment Notice, upon receipt of such notice and prior to the prepayment date (the "Prepayment Date") specified by the Company in the Prepayment Notice, the Holder may elect to convert any outstanding portion of the Note, including any accrued interest, by submitting a Notice of Conversion to the Company as set forth in this Note.

4.2 Repayment Amortization Upon Maturity. If this Note, or any portion thereof, remains outstanding upon the Maturity Date, then repayment of the unpaid and unconverted principal amount of this Note, shall be amortized over the following thirty-six (36) months, with monthly payments (each, an "Amortization Payment") to be made on or prior to the 10<sup>th</sup> calendar day of each month, beginning on the first such date after the Maturity Date. Until this Note is repaid or converted in full, the Holder shall continue to have all rights as a holder of this Note.

## ARTICLE V. CERTAIN COVENANTS

5.1 Sale or Disposition of Assets. So long as the Company shall have any obligation under this Note, the Company shall not, without the Holder's written consent, sell, lease, or otherwise dispose of all or substantially all of its assets outside the ordinary course of business unless the proceeds of any disposition of its assets shall be used to repay this Note.

5.2 Non-Circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

## ARTICLE VI. EVENTS OF DEFAULT

6.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

(a) Failure to Pay Principal or Interest. The Company fails to pay any outstanding portion of this Note when due and such non-payment continues for a period of fifteen (15) days.

(b) Failure to Deliver Conversion Shares. The Company fails to issue and deliver or cause to issue and deliver the Conversion Shares to the Holder for a period of fifteen (15) days from the Conversion Date, provided that, an Event of Default shall not occur under this Section 6.1(b) if the Company shall have delivered proper issuance instructions for the Conversion Shares to its stock transfer agent prior to such date.

(c) Breach of Covenants. The Company breaches any material covenant or other material term or condition contained in this Note or any other Transaction Documents and such breach continues for a period of fifteen (15) days.

(d) Breach of Representations or Warranties. Any representation or warranty of the Company made in this Note or any other Transaction Documents shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or any other Transaction Documents, and such breach continues for a period of fifteen (15) days.

(e) Bankruptcy. Bankruptcy, insolvency, reorganization, or liquidation proceedings, or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Company or any subsidiary of the Company; or the Company admits in writing its inability to pay its debts generally as they mature, provided that, any disclosure of the Company's ability to continue as a "going concern" shall not be an admission that the Company cannot pay its debts as they become due; or the Company or any subsidiary of the Company shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or any dissolution, liquidation, or winding up of Company or any substantial portion of its business.



(f) Change of Control. The occurrence after the date hereof of any of (a) an acquisition by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 50% of the voting securities of the Company, other than in connection with an underwritten public offering, (b) the Company consummates a merger or similar transaction, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the Company or the successor entity of such transaction, or (c) the Company sells or transfers all or substantially all of its assets and the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a two year period of more than half of the members of the Board of Directors, if not approved by a majority of the Board of Directors, (e) David G. Watumull and David M. Watumull shall both have been terminated by the Company as Chief Executive Officer and Chief Operating Officer other than for cause, or (f) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (e) above

(g) Judgments. Any money judgment, writ, or similar process shall be entered or filed against the Company or any subsidiary of the Company or any of its property or other assets for more than \$500,000, and shall remain unvacated, unbonded, or unstayed for a period of one-hundred eighty (180) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

(h) Delisting of Common Stock. The Company shall fail to maintain the listing of the Common Stock on the OTCQB or on the principal securities exchange or other securities market on which the Common Stock is then being traded, and such delisting continues for a period of fifteen (15) days.

6.2 Remedies Upon Event of Default. Upon an Event of Default, interest on this Note shall accrue pursuant to Section 2.4, and the outstanding principal amount of this Note, plus accrued and unpaid interest, shall become, at the Holder’s election, immediately due and payable in cash. In lieu of cash payment, the Holder may elect to receive from time to time all or part of the outstanding principal amount of this Note, plus accrued and unpaid interest, in Conversion Shares. Such acceleration may be rescinded and annulled by the Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

[signature page follows]

IN WITNESS WHEREOF, Company has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

**CARDAX, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT I  
NOTICE OF CONVERSION

The undersigned hereby elects to convert \$ \_\_\_\_\_ principal amount of the Note (defined below) together with \$ \_\_\_\_\_ of accrued and unpaid interest thereto, totaling \$ \_\_\_\_\_ into that number of shares of Common Stock of Cardax, Inc., a Delaware corporation (the "Company"), to be issued pursuant to the conversion of the Note as set forth below, according to the conditions of the convertible promissory note of the Company dated as of October 8, 2020 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any. This Notice of Conversion is irrevocable unless otherwise agreed by the Company.

Delivery instructions:

- The Company shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer"), provided that such shares are eligible for deposit.

Name of DTC Prime Broker: \_\_\_\_\_  
DTC Participant Number: \_\_\_\_\_  
Account Number: \_\_\_\_\_

- The undersigned hereby requests that the Company issue the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) and form specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Form:  Physical Certificate  Book Entry

Date of Conversion:	_____
Applicable Conversion Price:	\$ _____
Number of Shares of Common Stock to be Issued Pursuant to Conversion of the Note:	_____
Amount of Principal Balance Due Remaining Under the Note after this Conversion:	\$ _____
Accrued and Unpaid Interest Remaining:	\$ _____

\_\_\_\_\_  
[Name of Holder]

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_

WARRANT NUMBER

G \_\_\_\_\_

CARDAX, INC.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER EITHER 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.

THIS CERTIFIES THAT, for value received, \_\_\_\_\_ (together with its successors and assigns, the "**Holder**"), commencing October 8, 2020 (the "**Date of Issue**") is entitled to purchase, subject to the conditions set forth below, at any time and from time to time, in whole or in part, during the Exercise Period (as defined in Section 1.3), that number of fully paid and non-assessable shares (the "**Shares**") of common stock, par value \$0.001 per share ("**Common Stock**"), of Cardax, Inc., a Delaware corporation (the "**Company**"), that is not more than the Warrant Share Number (as defined in Section 1.1), subject to the further provisions of this warrant to purchase newly issued shares of Common Stock (the "**Warrant**"), at the Warrant Exercise Price (as defined in Section 1.2), subject to the further provisions of this Warrant.

1. EXERCISE OF WARRANT

The terms and conditions upon which this Warrant may be exercised, and the shares of Common Stock covered hereby which may be purchased hereunder, are as follows:

1.1. Warrant.

(a) The Company hereby issues to the Holder this Warrant.

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(b) The number of Shares that the Holder is entitled to purchase under the terms and conditions of this Warrant (the "*Warrant Share Number*") is equal to \_\_\_\_\_ Shares.

(c) For the purposes of this Agreement, the following terms shall have the respective meanings ascribed thereto in this Section 1.1(c):

(i) "*Affiliate*" shall have the meaning ascribed to such term under the Securities Act and the regulations promulgated thereunder.

(ii) "*Business Day*" shall mean any date that the banks and the securities markets are in New York, New York open for business for the conduct of business in the regular course on such date.

(iii) "*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

(iv) "*Person*" shall mean any individual, trust or entity or governmental authority or agency.

1.2. The Warrant Exercise Price. The exercise price for the Warrant (the "*Warrant Exercise Price*") shall be equal, per share, to \$\_\_\_\_, subject to adjustment as provided in Section 4:

1.3. Method of Exercise.

(a) The Holder of this Warrant may exercise, in whole or in part, the purchase rights evidenced by this Warrant during the period commencing on the Date of Issue of this Warrant and ending on October 8, 2025, unless extended by the Company in its sole discretion (the "*Exercise Period*"). Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto (a "*Notice of Exercise*"), to the Secretary of the Company at its principal offices;

(ii) the payment to the Company, by certified check or bank draft payable to its order, of an amount equal to the aggregate Warrant Exercise Price for the number of Shares for which the purchase rights hereunder are being exercised; and

(iii) the delivery to the Company, if necessary, to assure compliance with federal and state securities laws, of an instrument executed by the Holder certifying that the Shares are being acquired for the sole account of the Holder and not with a view to any resale or distribution.

(b) Conditions to Exercise of the Warrant.

(i) Notwithstanding the provisions of any provision of this Warrant, including Section 1.3, the exercise of this Warrant is contingent upon the Company's satisfaction that the issuance of the Shares for which this Warrant is being exercised is exempt from the requirements of the Securities Act and all applicable state securities laws or the Shares are duly registered under the Securities Act. The Holder of this Warrant agrees to execute any and all documents deemed necessary by the Company to effect the exercise of this Warrant.

(ii) Notwithstanding anything to the contrary contained herein, the number of Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act (the "**Beneficial Ownership**"), does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise) (the "**Maximum Percentage**"). For the avoidance of doubt, except as otherwise provided herein in connection with a transaction described in Section 4.3 (a "**Fundamental Transaction**"), this Warrant may not be exercised in whole or in part if the Holder's Beneficial Ownership (as calculated herein) exceeds the Maximum Percentage prior to such exercise. For such purposes, "**Beneficial Ownership**" shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction of this Warrant or under any other provision of Section 4. This restriction may not be waived except by the Holder providing a notice to the Company as provided herein. For any reason at any time, upon the written or oral request of the Holder, the Company shall promptly confirm in writing (which may be by electronic mail) to the Holder the number of shares of Common Stock then outstanding. To the extent that the limitation contained in this Section 1.3(b)(ii) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which a portion of this Warrant is exercisable shall be in the sole discretion of a Holder, and the submission of a Notice of Exercise shall be deemed to be each Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination other than its obligation in this Section 1.3(b)(ii) above to, upon the Holder's request, confirm in writing to the Holder the number of shares of Common Stock then outstanding. Notwithstanding any provision of this Section 1.3(b)(ii) to the contrary, the limitations on the exercise of this Warrant under this Section 1.3(b)(ii) shall not be applicable from and after the date that is 61 days after the date that the Holder provides written notice to the Company that the Holder elects to have Beneficial Ownership of the Company's Common Stock in excess of the Maximum Percentage, in which case such Holder shall have the right to exercise this Warrant without the limitations of this Section 1.3(b)(ii); provided, that the limitations of this Section 1.3(b)(ii) shall again be applicable to any assignee of this Warrant until 61 days after such assignee provides such notice to the Company.

1.4. Issuance of Shares. In the event the purchase rights evidenced by this Warrant are exercised in whole or in part, one or more certificates for the purchased Shares shall be issued as soon as practicable thereafter to the Holder.

1.5. Partial Exercise. If this Warrant shall have been exercised only in part, then the Company shall, at the time of delivery of the certificate or certificates for the Shares purchased upon such exercise, also deliver to the Holder a new Warrant evidencing the remaining outstanding unexercised balance of Shares purchasable hereunder.

1.6. Cancellation. Notwithstanding anything in this Warrant to the contrary, this Warrant shall be cancelled, and shall not be exercisable, if it is not exercised before the expiration of the Exercise Period.

## 2. TRANSFER RESTRICTIONS

2.1. Transfer. This Warrant and the Shares issuable upon exercise hereof are “restricted securities” as such term is defined by the rules and regulations promulgated under the Securities Act. This Warrant and the Shares issuable upon exercise hereof may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of this Warrant or the Shares issuable upon exercise hereof, other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Holder, the Company may require the transferor 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 the transferred Warrant or Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Warrant and the Agreement and shall have the rights and obligations of a Holder under this Warrant and the Agreement.

### 2.2. Legend.

(a) The Holder agrees to the imprinting of a legend on any of the Shares issuable upon exercise hereof in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE CORPORATION. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(b) Notwithstanding the foregoing, certificates evidencing this Warrant or the Shares issuable upon exercise hereof shall not contain any legend (including the legend set forth above), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of this Warrant or such Shares issuable upon exercise hereof pursuant to Rule 144, (iii) if this Warrant or such Shares issuable upon exercise hereof 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 this Warrant or such Shares issuable upon exercise hereof 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 Commission).

2.3. Sale. The Holder agrees that the Holder will sell this Warrant or any Shares issuable upon exercise hereof 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 this Warrant or any Shares issuable upon exercise hereof 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 Shares or this Warrant is predicated upon the Company's reliance upon this understanding.

### 3. FRACTIONAL SHARES

Notwithstanding that the number of Shares purchasable upon the exercise of this Warrant may have been adjusted pursuant to the terms hereof, the Company shall nonetheless not be required to issue fractions of Shares upon exercise of this Warrant or to distribute certificates that evidence fractional shares, provided that in lieu of any fraction shares, the Company shall make a cash payment to the Holder in an amount equal to the fair market value (as determined by the Board of Directors of the Company in its reasonable good faith) of such fractional share.

### 4. ANTIDILUTION PROVISIONS

4.1. Stock Splits and Combinations. If the Company shall at any time subdivide or combine its outstanding shares of Common Stock, this Warrant shall, after that subdivision or combination, evidence the right to purchase the number of shares of Common Stock that would have been issuable as a result of that change with respect to the shares of Common Stock which were purchasable under this Warrant immediately before that subdivision or combination. If the Company shall at any time subdivide the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that subdivision shall be proportionately decreased, and, if the Company shall at any time combine the outstanding shares of Common Stock, the Warrant Exercise Price then in effect immediately before that combination shall be proportionately increased. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.



4.2. Reclassification, Exchange and Substitution. If the Common Stock issuable upon exercise of this Warrant shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares provided for above), the Holder of this Warrant shall, on its exercise, be entitled to purchase for the same aggregate consideration, in lieu of the Common Stock that the Holder would have been entitled to purchase but for such change, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to purchase by the Holder on exercise of this Warrant immediately before that change.

4.3. Reorganizations, Mergers, Consolidations or Sale of Assets. If at any time there shall be a capital reorganization of the Company's Common Stock (other than a combination, reclassification, exchange, or subdivision of shares provided for elsewhere above) or merger or consolidation of the Company with or into another entity, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lawful provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Warrant Exercise Price then in effect, the number of shares of Common Stock or other securities or property of the Company, or of the successor entity resulting from such merger or consolidation, to which a holder of the Common Stock deliverable upon exercise of this Warrant would have been entitled in such capital reorganization, merger, or consolidation or sale if this Warrant had been exercised immediately before that capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Holder of this Warrant after the reorganization, merger, consolidation, or sale to the end that the provisions of this Warrant (including adjustment of the Warrant Exercise Price then in effect and number of Shares purchasable upon exercise of this Warrant) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant. The Company shall, within thirty (30) days after making such adjustment, give written notice (by first class mail, postage prepaid) to the Holder of this Warrant at the address of the Holder shown on the Company's books. That notice shall set forth, in reasonable detail, the event requiring the adjustment and the method by which the adjustment was calculated, and specify the Warrant Exercise Price then in effect after the adjustment and the increased or decreased number of Shares or the other shares or property purchasable upon exercise of this Warrant. When appropriate, that notice may be given in advance and include as part of the notice required under other provisions of this Warrant.

## 5. RESERVATION OF STOCK ISSUABLE UPON EXERCISE

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the exercise of this Warrant such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of this Warrant, in addition to such other remedies as shall be available to the Holder of this Warrant, the Company will use its best efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but un-issued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

## 6. RIGHTS PRIOR TO EXERCISE OF WARRANT

6.1. This Warrant does not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to receive dividends or other distributions, to exercise any preemptive rights, to vote, or to consent or to receive notice as a stockholder of the Company. If, however, at any time prior to the termination of this Warrant and prior to its exercise, any of the following events shall occur:

(a) the Company shall declare any dividend payable in any securities upon its shares of Common Stock or make any distribution (other than a regular cash dividend) to the Holders of its shares of Common Stock; or

(b) the Company shall offer to the holders of its shares of Common Stock any additional Warrant of Common Stock or securities convertible into or exchangeable for shares of Common Stock or any right to subscribe for or purchase any thereof; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation, merger, sale, transfer or lease of all or substantially all of its property, assets and business as an entirety) shall be proposed and action by the Company with respect thereto has been approved by the Company's Board of Directors;

then in any one or more of said events the Company shall give notice in writing of such event to the Holder at the last address of the Holder as it shall appear on the Company's records at least twenty (20) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividends, distribution, or subscription rights, or for the determination of stockholders entitled to vote on such proposed dissolution, liquidation or winding up. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to publish, mail or receive such notice or any defect therein or in the publication or mailing thereof shall not affect the validity of any action taken in connection with such dividend, distribution or subscription rights, or such proposed dissolution, liquidation or winding up. Each person in whose name any certificate for shares of Common Stock is to be issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which this instrument was surrendered and payment of the Warrant Exercise Price was made, irrespective of the date of delivery of such stock certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares of Common Stock at the close of business on the next succeeding date on which the stock transfer books are open.

## 7. SUCCESSORS AND ASSIGNS

The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the Holder hereof and their respective successors and permitted assigns.

## 8. LOSS OR MUTILATION

8.1. Upon receipt by the Company of satisfactory evidence of the ownership of and the loss, theft, destruction, or mutilation of any Warrant, and (i) in the case of loss, theft, or destruction, upon receipt by the Company of indemnity satisfactory to it, or (ii) in the case of mutilation, upon receipt of such Warrant and upon surrender and cancellation of such Warrant, the Company shall execute and deliver in lieu thereof a new Warrant representing the right to purchase an equal number of shares of Common Stock.

8.2. The Holder also acknowledges that each of the Shares issuable upon the due exercise hereof will be subject to any transfer restrictions in the Company's Articles of Incorporation, including a right of first refusal to the Company, and the certificate or certificates evidencing the Shares will bear a legend to this effect.

## 9. TERMINATION DATE

This Warrant shall terminate upon the sooner of (a) the expiration of the Exercise Period; or (b) the exercise of all or any portion of this Warrant pursuant to the terms of Section 1 hereof.

## 10. GOVERNING LAW

This Warrant and any dispute, disagreement or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided herein or performance shall be governed or interpreted according to the internal laws of the State of New York without regard to conflicts of law.

## 11. HEADINGS

The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to sections and exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

## 12. AMENDMENTS

The terms and conditions of this Warrant shall not be amended, modified or supplemented other than in accordance with a written amendment signed by the Holder and the Company that specifically provides for such amendment, modification or supplement.

### 13. NOTICES

All notices or other communications given or made hereunder shall be in writing and shall be mailed by certified mail, delivered by professional courier or hand, or transmitted via email or facsimile, to such party's address as set forth in the Warrant Register, or such other address as the Holder or the Company shall notify the other in writing as above provided. Any notice sent in accordance with this section 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 or facsimile 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.

### 14. SEVERABILITY

If one or more provisions of this Warrant are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Warrant and the balance of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

### 15. WARRANT REGISTER AND OWNERSHIP

Each Warrant issued by the Company shall be numbered and shall be registered in a warrant register (the "*Warrant Register*") as it is issued and transferred, which Warrant Register shall be maintained by the Company at its principal office or, at the Company's election and expense, by a Warrant Agent or the Company's transfer agent. The Company shall be entitled to treat the registered Holder of any Warrant on the Warrant Register as the owner in fact thereof and the Holder for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such Warrant on the part of any other Person, and shall not be affected by any notice to the contrary, except that, if and when any Warrant is properly assigned in blank, the Company may (but shall not be obligated to) treat the bearer thereof as the owner of such Warrant for all purposes. Subject to Section 10, a Warrant, if properly assigned, may be exercised by a new holder without a new Warrant first having been issued.

### 16. CERTAIN OTHER PROVISIONS

16.1. Any reference to an action or event to occur on a specified date that is not a Business Day shall be a reference to the immediately following Business Day.

16.2. Any calculations of the number of Shares to be issued upon the exercise of this Warrant, in whole or in part, shall be made by the Company and, absent manifest error, such calculation shall be conclusive and binding.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS.]**

In Witness Whereof, the parties have executed this Warrant as of the date first written above.

**COMPANY**

**CARDAX, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TRANSFER AGENT AND REGISTRAR**

By: \_\_\_\_\_

Authorized Signature

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NOTICE OF WARRANT EXERCISE

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

Gentlemen:

The undersigned, , hereby elects to purchase, pursuant to the provisions of the foregoing Warrant held by the undersigned, shares of the common stock (*Common Stock*) of Cardax, Inc. Payment of the purchase price of \_\_\_\_\_ per Share required under such Warrant accompanies this notice.

The undersigned hereby represents and warrants that the undersigned is acquiring such Common Stock for the account of the undersigned and not for resale or with a view to distribution of such Common Stock or any part hereof; that the undersigned is fully aware of the transfer restrictions affecting restricted securities under the pertinent securities laws and the undersigned understands that the shares purchased hereby are restricted securities and that the certificate or certificates evidencing the same will bear a legend to that effect.

By its delivery of this Notice of Warrant Exercise, the undersigned represents and warrants to the Company that (unless indicated below) in giving effect to the exercise evidenced hereby the Holder will not beneficially own in excess of the number of shares of Common Stock (determined in accordance with Section 13(d) of the Securities Exchange Act of 1934) permitted to be owned under Section 1.3(b)(ii) of this Warrant to which this notice relates.

If the number of shares of Common Stock purchased (and/or canceled) hereby is less than the number of shares of Common Stock covered by the Warrant, the undersigned requests that a new Warrant representing the number of shares of Common Stock not so purchased (or canceled) be issued and delivered as follows:

ISSUE TO:

\_\_\_\_\_  
(NAME OF HOLDER)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

\_\_\_\_\_  
(SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER)

DELIVER TO:

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(ADDRESS, INCLUDING ZIP CODE)

DATED: \_\_\_\_\_, \_\_\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



**ASSIGNMENT FORM**

(To assign the foregoing warrant, execute  
this form and supply required information.  
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [\_\_\_\_\_] all of or [\_\_\_\_\_] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

\_\_\_\_\_ whose address is

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David G. Watumull, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cardax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2020

/s/ David G. Watumull

David G. Watumull  
Chief Executive Officer

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John B. Russell, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cardax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2020

/s/ John B. Russell

John B. Russell  
Chief Financial Officer

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Cardax, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, David G. Watumull, Chief Executive Officer, do hereby certify, to my knowledge:

- (1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: November 13, 2020

By: /s/ David G. Watumull

David G. Watumull  
Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cardax, Inc. and will be retained by Cardax, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Cardax, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, John B. Russell, Chief Financial Officer, do hereby certify, to my knowledge:

- (1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: November 13, 2020

By: /s/ John B. Russell

John B. Russell  
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cardax, Inc. and will be retained by Cardax, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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