

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): October 20, 2025

**FOCUS UNIVERSAL INC.**  
(Exact Name of Registrant as Specified in its Charter)

<b>Nevada</b> (State or Other Jurisdiction of Incorporation)	<b>001-34780</b> (Commission File Number)	<b>46-3355876</b> (I.R.S. Employer Identification No.)
<b>2311 East Locust Street</b> <b>Ontario, California</b> (Address of Principal Executive Offices)		<b>91761</b> (Zip Code)

Registrant's Telephone Number, Including Area Code: **(626) 272-3883**  
Registrant's Fax Number, Including Area Code: **(917) 791-8877**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 par value per share	FCUV	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 .

**Item 1.01 Entry into a Material Definitive Agreement.**

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

**Item 3.02 Unregistered Sales of Equity Securities.**

On October 27, 2025, Focus Universal Inc. (the “**Company**”) issued a press release announcing the closing of \$10,000,000 in preferred equity.

Private Placement of Series A Preferred Stock

On or about October 20, 2025, the Company committed the sale of 750,000 shares of Series A Convertible Preferred Stock (the “**Series A Preferred Stock**”) in a private placement to Edward Lee, the Chairman of the Company’s Board of Directors, as the lead investor and other accredited investors for an aggregate purchase price of \$3,000,000, or \$4.00 per share (the “**Series A Private Placement**”).

In connection with the Series A Private Placement, on or about October 15, 2025, the Company entered into a subscription agreement with each investor, the form of which is included hereto as Exhibit 10.1, is incorporated by reference into this Item 3.02.

The Series A Preferred Stock were offered and sold in a private placement to certain eligible investors pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”). The Series A Preferred Stock have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration under or an applicable exemption from such registration requirements. This Current Report on Form 8-K does not constitute an offer to sell, or a solicitation of an offer to purchase, the Series A Preferred Stock in any jurisdiction in which such offer or solicitation would be unlawful.

Private Placement of Series B Preferred Stock

On or about October 21, 2025, the Company entered into a securities purchase agreement (the “**Series B Agreement**”) with private accredited investors (the “**Investors**”) the form of which is included hereto as Exhibit 10.2, is incorporated by reference into this Item 3.02. Pursuant to the terms and conditions of the Series B Agreement, the Investors committed to purchase up to \$7,000,000 or 8,236 shares (the “**Commitment Amount**”) of the Company’s Series B Convertible Preferred Stock, par value \$0.001 per share (the “**Series B Preferred Stock**”) at a price per share of \$850.00 (the “**Series B Private Placement**”), which represents a 15% original issuance discount. There will be three Closings: (i) \$3,000,000 for the purchase of the Series B Preferred Stock funded at the Initial Closing; (ii) \$1,000,000 for the purchase of the Series B Preferred Stock funded on the date the Company files, (a) the Registration Statement on Form S-1 required by and pursuant to the Registration Rights Agreement and (b) the Information Statement with the SEC; and (iii) \$3,000,000 for the purchase of the Series B Preferred Stock funded within two (2) Business Days after (a) such Registration Statement is declared effective by the SEC and (b) the Information Statement has become effective under Rule 14c-2 (including expiration of any applicable waiting period).

In connection with the Series B Private Placement, the Company and the Investors entered into a Registration Rights Agreement, the form of which is included hereto as Exhibit 10.3 and is incorporated by reference into this Item 3.02. The Company also entered into a Placement Agent Agreement with Spartan Capital Securities, LLC, the form of which is included hereto as Exhibit 10.4 and is incorporated by reference into this Item 3.02.

In connection with the Series B Private Placement, the Company’s executive officers and 5% shareholders entered into a Lock-Up Agreement effective October 21, 2025, and until December 29, 2025, the form of which is included hereto as Exhibit 10.5 and is incorporated by reference into this Item 3.02.

The Series B Preferred Stock were offered and sold in a private placement to certain eligible investors pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”). The Series B Preferred Stock have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States absent registration under or an applicable exemption from such registration requirements. This Current Report on Form 8-K does not constitute an offer to sell, or a solicitation of an offer to purchase, the Series B Preferred Stock in any jurisdiction in which such offer or solicitation would be unlawful.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws.**

Certificate of Designation of Series A Preferred Stock

On October 21, 2025, the Company filed a Certificate of Designation of Series A Preferred Stock (“**Series A Designation**”) that had the effect of designating 1,000,000 shares of its 5,000,000 authorized shares of preferred stock as Series A Preferred Stock (“**Series A Preferred Stock**”). The Series A Designation as filed with the Secretary of State of Nevada, which is included hereto as Exhibit 3.1, is incorporated by reference into this Item 5.03.

*Dividends*

Each share of Series A Preferred Stock will be entitled to receive dividends paid on and equal to the Company’s common stock, par value \$0.001 per share (“**Common Stock**”) when and if declared by the Board of Directors.

*Voting Rights*

The holders of Series A Preferred Stock have the voting rights as though the shares of Series A Preferred Stock have converted into Common Stock. In addition, as long as any shares of Series A Preferred Stock remain outstanding, the Series A Designation provides that the Company shall not, without the affirmative vote of holders of eighty percent (80%) of the then outstanding shares of Series A Preferred Stock, (a) amend, alter or repeal any provision of the Articles of Incorporation or the Bylaws as to adversely the designations, preferences, limitations, and relative rights of the Series A Preferred Stock or (b) effect any reclassification of the Series A Preferred Stock. Furthermore, the Company shall not amend, alter or repeal the Series A Designation without the affirmative vote of the holders of at least a majority of all outstanding shares of the Series A Preferred Stock, unless the Company needs to make a technical, corrective, administrative change that does not adversely affect the rights or preferences.

*Liquidation Rights; Rank*

Each share of Series A Preferred Stock ranks senior to the Company’s Common Stock in liquidation.

*Conversion Rights*

Each share of Series A Preferred Stock is convertible into 1.1 shares of restricted Common Stock at the option of the holder, at any time.

*Redemption Rights*

The shares of Series A Preferred Stock will not have any redemption rights.

Certificate of Designation of Series B Preferred Stock

On October 20, 2025, the Company filed a Certificate of Designation of Series B Preferred Stock (“**Series B Designation**”) that had the effect of designating 15,000 shares of its 5,000,000 authorized shares of preferred stock as Series B Convertible Preferred Stock (“**Series B Preferred Stock**”). The Series B Designation as filed with the Secretary of State of Nevada, which is included hereto as Exhibit 3.2, is incorporated by reference into this Item 5.03.

### *Dividends*

If the Company pays a dividend or distribution (other than one payable in Common Stock shares or its equivalents) on shares of Common Stock, the holders of shares of outstanding Series B Preferred Stock will be entitled to receive dividends paid on and equal to the Company's Common Stock, as if each share of Series B Preferred Stock is converted into shares of Common Stock, when and if declared by the Board of Directors.

### *Voting Rights*

The holders of Series B Preferred Stock have no voting rights.

As long as any shares of Series B Preferred Stock remain outstanding, the Series B Designation provides that the Company shall not, without the affirmative vote of holders of at least 50.1% of the then outstanding shares of Series B Preferred Stock, (a) amend or repeal, or add any provision to its charter documents if such action would alter or change adversely the preferences, rights, privileges or powers, or restrictions provided for the benefit, of the Series B Preferred Stock.

### *Liquidation Rights; Rank*

Each share of Series B Preferred Stock ranks senior to the Company's Common Stock.

### *Conversion Rights*

Each share of Series B Preferred Stock is convertible as follows:

- (a) *Voluntary conversion.* The holder of any shares of Series B Preferred Stock shall have the right, at its option at any time following the initial issuance date, to convert any such shares into Common Stock at the Conversion Rate, which is determined by dividing the number of shares Series B Preferred Stock to be converted by the Conversion Price (i.e., 85% of the lowest daily volume weighted average price of the Common Stock for any ten (10) Trading Days immediately prior to the date of conversion, subject to adjustment).
- (b) *Triggering Event Conversion.* At any time during the period between the date of a Triggering Event and ending on the date of the cure of such Triggering Event, the holder of any shares of Series B Preferred Stock shall have the right, at its option, to convert at the Triggering Event Conversion Price, which is the lesser of the Conversion Price and 75% of the lowest daily volume weighted average price of the Common Stock for any ten (10) Trading Days immediately prior to the date of conversion

### *Purchase Rights*

If the Company grants, issues, or sells any options, convertible securities, or rights to purchase stock, warrants, securities, or other property pro rata to the Common Stock shareholders (the "**Purchase Rights**"), then each holder of Series B Preferred Stock will be entitled to the same.

### *Conversion Price Protection*

If the Company issues or sells any securities (including Options or Convertible Securities) except any Exempt Issuance at an effective price (or exercise or conversion price) of less than the Conversion Price, then upon such issuance or sale, the Conversion Price shall be reduced to the sale price or exercise or conversion price of the securities issued or sold.

### *Participation Rights*

Until the six (6) month anniversary of the issuance of the Series B Preferred Stock to the holder, upon the Company's issuance of Common Stock (or its equivalents) for cash consideration intended to be exempt from registration ("Subsequent Financing"), the holders of outstanding shares of Series B Preferred Stock shall have the right to participate in an amount equal to an aggregate 30% of the Subsequent Financing on the same terms.

### *Beneficial Ownership Limitation*

The Company shall not effect a conversion of the Series B Preferred Stock, and the holder of any shares of Series B Preferred Stock shall not have the right to voluntarily convert its shares of Series B Preferred Stock, to the extent that after giving effect to such exercise, such Person (together with such Person's Affiliates) would beneficially own in excess of 4.99% (the "Maximum Percentage") of the shares of Common Stock outstanding immediately after giving effect to such conversion.

## **Item 9.01 Financial Statements and Exhibits.**

### (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	<a href="#"><u>Certificate of Designation of Series A, filed with the Secretary of State of Nevada on October 21, 2025</u></a>
3.2	<a href="#"><u>Certificate of Designation of Series B, filed with the Secretary of State of Nevada on October 20, 2025</u></a>
10.1	<a href="#"><u>Form of Series A Preferred Stock Subscription Agreement between the Company and certain purchasers, dated October 15, 2025</u></a>
10.2	<a href="#"><u>Form of Series B Preferred Stock Subscription Agreement between the Company and certain purchasers, dated October 21, 2025</u></a>
10.3	<a href="#"><u>Form of Registration Rights Agreement between the Company and certain purchasers of Series B Preferred Stock, dated October 21, 2025</u></a>
10.4	<a href="#"><u>Form of Placement Agent Agreement between the Company and Spartan Capital Securities, LLC, dated October 21, 2025</u></a>
10.5	<a href="#"><u>Form of Lock-Up Agreement, dated October 21, 2025</u></a>
99.1	<a href="#"><u>Press Release by Focus Universal Inc. dated October 27, 2025</u></a>
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

**SIGNATURE**

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

Date: October 27, 2025

**FOCUS UNIVERSAL, INC.**

By: /s/ Desheng Wang  
Name: Desheng Wang  
Title: Chief Executive Officer

<p>10:23:09 a.m. 10-21-2025 4</p> <p>To: NV SOS Page: 4 of 8 2025-10-21 17:23:21 GMT</p>	<p>Filed in the Office of <i>F. Aguilar</i>                  Secretary of State                  State Of Nevada</p> <p>Business Number: E0618822012-2                  Filing Number: 20258254672                  Filed On: 10/21/2025 10:23:00 AM                  Number of Pages: 5</p>	<p>Bradshaw</p>
 <p><b>FRANCISCO V. AGUILAR</b>                  Secretary of State                  401 North Carson Street                  Carson City, Nevada 89701-4201                  (775) 684-5708                  Website: www.nvsos.gov</p>		
<p><b>Certificate, Amendment or Withdrawal of Designation</b></p> <p><b>NRS 78.1955, 78.1955(6)</b></p> <p><input checked="" type="checkbox"/> Certificate of Designation</p> <p><input type="checkbox"/> Certificate of Amendment to Designation - Before Issuance of Class or Series</p> <p><input type="checkbox"/> Certificate of Amendment to Designation - After Issuance of Class or Series</p> <p><input type="checkbox"/> Certificate of Withdrawal of Designation</p>		
<p><b>TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT</b></p>		
<p><b>1. Entity information:</b></p>	<p>Name of entity:                  Focus Universal Inc.</p> <p>Entity or Nevada Business Identification Number (NVID): NV20121720610</p>	
<p><b>2. Effective date and time:</b></p>	<p>For Certificate of Designation or Amendment to Designation Only (Optional):</p> <p>Date: _____ Time: _____                  (must not be later than 90 days after the certificate is filed)</p>	
<p><b>3. Class or series of stock:</b> (Certificate of Designation only)</p>	<p>The class or series of stock being designated within this filing:                  Series A Preferred Stock</p>	
<p><b>4. Information for amendment of class or series of stock:</b></p>	<p>The original class or series of stock being amended within this filing:                  Preferred Stock</p>	
<p><b>5. Amendment of class or series of stock:</b></p>	<p><input type="checkbox"/> Certificate of Amendment to Designation- Before Issuance of Class or Series                  As of the date of this certificate no shares of the class or series of stock have been issued.</p> <p><input type="checkbox"/> Certificate of Amendment to Designation- After Issuance of Class or Series                  The amendment has been approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation.</p>	
<p><b>6. Resolution:</b>                  Certificate of Designation and Amendment to Designation only)</p>	<p>By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes OR amends the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.*</p> <p><small>A series of Preferred Stock is hereby designated as the Corporation's Series A Preferred Stock, per value of \$0.001 per share (the "Series A Preferred Stock"), the number of shares of which are so designated is 1,000,000 shares of Series A Preferred Stock; See attached Certificate of Designation for Series A Preferred Stock.</small></p>	
<p><b>7. Withdrawal:</b></p>	<p>Designation being Withdrawn: _____ Date of Designation: _____</p> <p>No shares of the class or series of stock being withdrawn are outstanding.</p> <p>The resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock: *</p>	
<p><b>8. Signature:</b> (Required)</p>	<p><input checked="" type="checkbox"/> <i>Dezhong Wang</i>                  Signature of Officer</p> <p>Date: 10/20/2025</p>	
<p>* Attach additional page(s) if necessary                  This form must be accompanied by appropriate fees.</p>		
<p>Page 1 of 1                  Revised 8/1/2023</p>		

**CERTIFICATE OF DESIGNATION  
OF  
FOCUS UNIVERSAL INC.  
ESTABLISHING THE DESIGNATIONS, PREFERENCES,  
LIMITATIONS AND RELATIVE RIGHTS OF ITS  
SERIES A PREFERRED STOCK**

Pursuant to Section 78.1955 of the Nevada Revised Statutes (the "**NRS**"), Focus Universal Inc., a corporation organized and existing under the NRS (the "**Company**"),

**DOES HEREBY CERTIFY** that pursuant to the authority conferred upon the Board of Directors ("**Board**") by the Articles of Incorporation, as amended, of the Company, and pursuant to Section 78.1955 of the NRS, the Board, by unanimous written consent of all members of the Board effective on October 15, 2025, duly adopted a resolution providing for the issuance of a series of Series A Preferred Stock, which resolution is and reads as follows:

**RESOLVED**, that pursuant to the authority expressly granted to and invested in the Board of the Company by the provisions of the Articles of Incorporation of the Company, as amended, a series of the preferred stock, par value \$0.001 per share, of the Company be, and it hereby is, established; and it is further

**RESOLVED**, that the series of preferred stock of the Company be, and it hereby is, given the distinctive designation of "**Series A Preferred Stock**"; and it is further

**RESOLVED**, that the Series A Preferred Stock shall consist of one million (1,000,000) shares; and it is further

**RESOLVED**, that the Series A Preferred Stock shall have the powers and preferences, and the relative, participating, optional and other rights, and the qualifications, limitations, and restrictions thereon set forth below (the "**Designation**" or "**Certificate of Designations**");

**SECTION 1. DESIGNATION OF SERIES.** The shares of such series shall be designated as the "**Series A Preferred Stock**" (the "**Series A Preferred Stock**") and the number of shares initially constituting such series shall be up to one million (1,000,000) shares which shall only be issued to and held by the purchasers as of the date of this Designation.

**SECTION 2. DIVIDENDS.** The holders of the Series A Preferred Stock shall be equally entitled to receive dividends paid on the Common Stock.

**SECTION 3. LIQUIDATION PREFERENCE.** The holders of the Series A Preferred Stock shall have a liquidation preference senior to all common stockholders.

**SECTION 4. VOTING.**

**1. Voting Rights.** The holders of the Series A Preferred Stock will have the voting rights as though they had converted into Common Stock or as required by Nevada law.

**2. Amendments to Articles and Bylaws.** So long as the Series A Preferred Stock is

outstanding, the Company shall not, without the affirmative vote of the holders of at least 80% of all outstanding shares of Series A Preferred Stock, voting separately as a class (i) amend, alter or repeal any provision of the Articles of Incorporation or the Bylaws of the Company so as to adversely affect the designations, preferences, limitations and relative rights of the Series A Preferred Stock or (ii) effect any reclassification of the Series A Preferred Stock.

**4.3 Amendment of Rights of Series A Preferred Stock** The Company shall not, without the affirmative vote of the holders of at least a majority of all outstanding shares of the Series A Preferred Stock, amend, alter or repeal any provision of this Statement of Designations, PROVIDED, HOWEVER, that the Company may, by any means authorized by law and without any vote of the holders of shares of the Series A Preferred Stock, make technical, corrective, administrative or similar changes in this Statement of Designations that do not, individually or in the aggregate, adversely affect the rights or preferences of the holders of shares of the Preferred Stock.

**SECTION 5. CONVERSION RIGHTS.** The shares of the Series A Preferred Stock shall be convertible into restricted Common Stock of the Company voluntarily, at any time at the option of the Holder. Each share of Series A Preferred Stock shall convert into 1.1 shares of Common Stock.

**SECTION 6. REDEMPTION RIGHTS.** The shares of the Series A Preferred Stock shall have no redemption rights.

**SECTION 7. PROCEDURES OF CONVERSION.** In order to effectuate a conversion of shares of Series A Preferred Stock a holder shall (a) submit a written election to the Corporation that such holder elects to convert Shares, the number of Shares elected to be converted; and (b) surrender, along with such written election, to the Corporation the certificate or certificates representing the Shares being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) or, in the event the certificate or certificates are lost, stolen, or missing, accompanied by an affidavit of loss executed by the holder. The conversion of such Shares hereunder shall be deemed effective as of the date of surrender of such Series A Preferred Stock certificate or certificates or delivery of such affidavit of loss. Upon the receipt by the Corporation of a written election and the surrender of such certificate(s) and accompanying materials, the Corporation shall as promptly as practicable (but in any event within ten (10) days thereafter) deliver to the relevant holder (a) a certificate in such holder's name (or the name of such holder's designee as stated in the written election) for the number of shares of Common Stock to which such holder shall be entitled upon conversion of the applicable Shares as calculated pursuant to Section 7 and, if applicable (b) a certificate in such holder's (or the name of such holder's designee as stated in the written election) for the number of Shares of Series A Preferred Stock represented by the certificate or certificates delivered to the Corporation for conversion but otherwise not elected to be converted pursuant to the written election. All shares of capital stock issued hereunder by the Corporation shall be duly and validly issued, fully paid, and nonassessable, free and clear of all taxes, liens, charges, and encumbrances with respect to the issuance thereof. All Shares of Series A Preferred Stock converted as provided in this Section 7 shall no longer be deemed outstanding as of the effective time of the applicable conversion and all rights with respect to such Shares shall immediately cease and terminate as of such time, other than the right of the holder to receive shares of Common Stock and payment in lieu of any fraction of a Share in exchange therefor. The Corporation shall at all times when any Shares of Series A Preferred Stock are outstanding reserve and keep available out of its



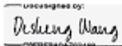
(a) The headings of the various sections and subsections of this Certificate of Designation are for convenience of reference only and shall not affect the interpretation of any of the provisions of this Certificate of Designation.

(b) Whenever possible, each provision of this Certificate of Designation shall be interpreted in a manner as to be effective and valid under applicable law and public policy. If any provision set forth herein is held to be invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions of this Certificate of Designation. No provision herein set forth shall be deemed dependent upon any other provision unless so expressed herein. If a court of competent jurisdiction should determine that a provision of this Certificate of Designation would be valid or enforceable if a period of time were extended or shortened, then such court may make such change as shall be necessary to render the provision in question effective and valid under applicable law.

(c) Except as may otherwise be required by law, the shares of the Series A Preferred Stock shall not have any powers, designations, preferences or other special rights, other than those specifically set forth in this Certificate of Designation.

**IN WITNESS WHEREOF**, the Company has caused this "Certificate of Designations of Focus Universal Inc. Establishing the Designations, Preferences, Limitations and Relative Rights of its Series A Preferred Stock" to be duly executed by its Chief Executive Officer on October 20, 2025.

**FOCUS UNIVERSAL INC.**

Executed by:  
  
\_\_\_\_\_  
Dr. Desheng Wang  
Chief Executive Officer

<p>03:10:20 p.m. 10-20-2025   3  </p> <p>To: NV SOS</p>	<p>Page: 03 of 31</p> <p>2025-10-20 22:10:34 GMT</p>	<p>Filed in the Office of <i>F. Aguilar</i></p> <p>Business Number: E0618822012-2</p> <p>Filing Number: 20258253183</p> <p>Filed On: 10/20/2025 3:10:00 PM</p> <p>Number of Pages: 29</p>	<p style="text-align: right;">redshav</p>
<p><b>FRANCISCO V. AGUILAR</b>          Secretary of State          401 North Carson Street          Carson City, Nevada 89701-4201          (775) 684-5788          Website: www.nvsos.gov</p>			
<p><b>Certificate, Amendment or Withdrawal of Designation</b></p> <p><b>NRS 78.1955, 78.1955(6)</b></p> <p><input checked="" type="checkbox"/> Certificate of Designation</p> <p><input type="checkbox"/> Certificate of Amendment to Designation - Before Issuance of Class or Series</p> <p><input type="checkbox"/> Certificate of Amendment to Designation - After Issuance of Class or Series</p> <p><input type="checkbox"/> Certificate of Withdrawal of Certificate of Designation</p>			
TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT			
1. Entity information:	<p>Name of entity: <u>Focus Universal Inc.</u></p> <p>Entity or Nevada Business Identification Number (NVID): <u>NV20121720610</u></p>		
2. Effective date and time:	<p>For Certificate of Designation or Amendment to Designation Only (Optional):</p> <p>Date: _____ Time: _____</p> <p style="font-size: x-small;">(must not be later than 90 days after the certificate is filed)</p>		
3. Class or series of stock: (Certificate of Designation only)	<p>The class or series of stock being designated within this filing:</p> <p style="text-align: center;"><u>Series B Convertible Preferred Stock</u></p>		
4. Information for amendment of class or series of stock:	<p>The original class or series of stock being amended within this filing:</p> <p style="text-align: center;"><u>Preferred Stock</u></p>		
5. Amendment of class or series of stock:	<p><input type="checkbox"/> Certificate of Amendment to Designation- Before Issuance of Class or Series                  As of the date of this certificate no shares of the class or series of stock have been issued.</p> <p><input type="checkbox"/> Certificate of Amendment to Designation- After Issuance of Class or Series                  The amendment has been approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation.</p>		
6. Resolution: Certificate of Designation and Amendment to Designation only)	<p>By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes OR amends the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock. *</p> <p style="font-size: x-small;">A series of Preferred Stock is hereby designated as the Corporation's Series B Convertible Preferred Stock, per value of \$0.001 per share (the "Series B Preferred Stock"), the number of shares of which are so designated is 10,000 shares of Series B Convertible Preferred Stock; See attached Certificate of Designation for Series B Convertible Preferred Stock.</p>		
7. Withdrawal:	<p>Designation being Withdrawn: _____ Date of Designation: _____</p> <p>No shares of the class or series of stock being withdrawn are outstanding.</p> <p>The resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock: *</p>		
8. Signature: (Required)	<p><input checked="" type="checkbox"/> <u><i>Joshua W. G.</i></u> Date: <u>10/20/2025</u></p> <p style="font-size: x-small;">Signature of Officer</p>		
* Attach additional page(s) if necessary This form must be accompanied by appropriate fees.			
			Page 1 of 1 Revised: 8/1/2023

**CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF THE  
SERIES B CONVERTIBLE PREFERRED STOCK  
OF  
FOCUS UNIVERSAL INC.**

PURSUANT TO NRS 78.1955 OF THE NEVADA REVISED STATUTES

The undersigned, Desheng Wang, the Chief Executive Officer of Focus Universal Inc. (the "**Corporation**"), a Nevada corporation, hereby does certify:

That pursuant to the authority expressly conferred upon the Board of Directors of the Corporation (the "**Board of Directors**") by the Corporation's Articles of Incorporation, as amended (the "**Articles of Incorporation**"), the Board of Directors on October 15, 2025, adopted the following resolution determining it desirable and in the best interests of the Corporation and its shareholders for the Corporation to create a series of 15,000 shares of preferred stock designated as "Series B Convertible Preferred Stock," (each, a "**Series B Share**", or collectively, the "**Series B Shares**")

**RESOLVED**, that the Board of Directors designates the Series B Convertible Preferred Stock and the number of shares constituting such series, and fixes the rights, powers, preferences, privileges and restrictions relating to such series in addition to any set forth in the Articles of Incorporation as follows:

**TERMS OF SERIES B CONVERTIBLE PREFERRED STOCK**

1. Certain Defined Terms. For purposes of this Certificate of Designation, the following terms shall have the following meanings:

(a) "**1934 Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(b) "**19.99% Ownership Limitation**" shall have the meaning given to it in Section 5 hereto.

(c) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly either to vote 10% or more of the stock having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(d) "**Authorized Failure Shares**" shall have the meaning given to it in Section 12 hereto.

(e) "**Authorized Share Allocation**" shall have the meaning given to it in Section 12 hereto.

(f) "**Authorized Share Failure**" shall have the meaning given to it in Section 12 hereto.

(g) "**Business Day**" means any day except any Saturday, any Sunday, any day which 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.

- (h) **“Buy-In Price”** shall have the meaning given to it in Section 5 hereto.
- (i) **“Certificate of Designation”** means this Certificate of Designations, Preferences and Rights of the Series B Convertible Preferred Stock of the Corporation.
- (j) **“Closing Sale Price”** means, for any security on any Trading Day, (i) the official closing price for such security on the Principal Market, as reported by Bloomberg or, if not available, as reported by OTC Markets Group Inc. (or any successor), or (ii) if no such trade price is available for that Trading Day, the fair market value of such security as determined in good faith by the Board of Directors of the Corporation.
- (k) **“Common Stock”** means (i) the Corporation’s shares of common stock, \$0.001 par value per share, and (ii) any capital stock into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.
- (l) **“Common Stock Equivalents”** means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire Common Stock at any time, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.
- (m) **“Conversion Amount”** shall have the meaning given to it in Section 5 hereto.
- (n) **“Conversion Date”** shall have the meaning given to it in Section 5 hereto.
- (o) **“Conversion Failure”** shall have the meaning given to it in Section 5 hereto.
- (p) **“Conversion Notice”** shall have the meaning given to it in Section 5 hereto.
- (q) **“Conversion Price”** shall have the meaning given to it in Section 5 hereto.
- (r) **“Conversion Rate”** shall have the meaning given to it in Section 5 hereto.
- (s) **“Convertible Securities”** means any stock or other security (other than Options) that is at any time and under any circumstances, directly or indirectly, convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any shares of Common Stock.
- (t) **“Corporate Event”** shall have the meaning given to it in Section 7 hereto.
- (u) **“Corporation”** shall have the meaning given to it in the preamble hereto.
- (v) **“Dispute Submission Deadline”** shall have the meaning given to it in Section 22 hereto.
- (w) **“Distributions”** shall have the meaning given to it in Section 14 hereto.
- (x) **“DTC”** shall have the meaning given to it in Section 5 hereto.

- (y) **"Excess Shares"** shall have the meaning given to it in Section 5 hereto.
- (z) **"Floor Price"** means 20% of the Nasdaq minimum price, as such term is defined by the rules of the Nasdaq Stock Market (Rule 5635(d)(1)(A)), subject to proportional adjustment for any stock splits, dividends, combinations, recapitalizations, or similar events (or such lower amount as permitted, from time to time, by the Principal Market, subject to downward adjustments for share splits, share dividends, share combinations, recapitalizations or other similar events (for the avoidance of doubt, share splits, share dividends, share combinations, recapitalizations or other similar events shall not cause an adjustment to increase the floor price).
- (aa) **"Fundamental Transaction"** shall have the meaning given to it in Section 7.
- (bb) **"Holder"** or **"Holders"** means a holder of Series B Shares.
- (cc) **"Initial Issuance Date"** means the date the first share of Series B is issued to any Holder hereof.
- (dd) **"Junior Stock"** shall have the meaning given to it in Section 3 hereto.
- (ee) **"Liquidation Event"** means, whether in a single transaction or series of transactions, the voluntary or involuntary liquidation, dissolution or winding up of the Corporation or such Subsidiaries the assets of which constitute all or substantially all of the assets of the business of the Corporation and its Subsidiaries, taken as a whole.
- (ff) **"Liquidation Funds"** shall have the meaning given to it in Section 13 hereto.
- (gg) **"Maximum Percentage"** shall have the meaning given to it in Section 5 hereto.
- (hh) **"NRS"** means Nevada Revised Statutes.
- (ii) **"Options"** means any rights, warrants or options to subscribe for or purchase shares of Common Stock or Convertible Securities.
- (jj) **"Parity Stock"** shall have the meaning given to it in Section 3 hereto.
- (kk) **"Person"** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.
- (ll) **"Principal Market"** means the primary market on which the Common Stock is then listed or quoted for trading, including, without limitation, The New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, OTCPink, OTCQB, or OTCQX and any successor markets thereto.
- (mm) **"Purchase Rights"** shall have the meaning given to it in Section 7 hereto.
- (nn) **"Register"** shall have the meaning given to it in Section 5 hereto.

- (oo) **"Registered Series B"** shall have the meaning given to it in Section 5 hereto.
- (pp) **"Reported Outstanding Share Number"** shall have the meaning given to it in Section 5 hereto.
- (qq) **"Required Dispute Documentation"** shall have the meaning given to it in Section 22 hereto.
- (rr) **"Required Reserve Amount"** shall have the meaning given to it in Section 12 hereto.
- (ss) **"SEC"** means the Securities and Exchange Commission or the successor thereto.
- (tt) **"Securities Purchase Agreements"** means those certain Securities Purchase Agreements by and among the Corporation and the holders of Series B, effective as of the Initial Issuance Date, as may be amended from time in accordance with the terms thereof.
- (uu) **"Series B"** shall have the meaning given to it in Section 2 hereto.
- (vv) **"Series B Share"** or **"Series B Shares"** shall have the meaning given to it in the preamble.
- (ww) **"Series B Certificates"** shall have the meaning given to it in Section 5 hereto.
- (xx) **"Share Delivery Deadline"** shall have the meaning given to it in Section 5 hereto.
- (yy) **"Shareholder Approval"** means such approval as is required by the applicable rules and regulations of the Nasdaq Stock Market (or any successor entity) from the shareholders of the Company with respect to the issuance of all of the shares of Common Stock issuable or potentially issuable in the future upon conversion of the Series B.
- (zz) **"Stated Value"** shall mean \$1,000 per share of Series B, subject to adjustment for stock splits, stock dividends, recapitalizations, reorganizations, reclassifications, combinations, subdivisions or other similar events occurring after the Initial Issuance Date with respect to the Series B (including any adjustment for a Triggering Event).
- (aaa) **"Subsidiary"** when used with respect to any Person, means any corporation or other organization, whether incorporated or unincorporated, of which (A) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person (through ownership of securities, by contract or otherwise) or (B) such Person or any subsidiary of such Person is a general partner of any general partnership or a manager of any limited liability company.
- (bbb) **"Trading Day"** means any day on which the Common Stock is eligible to be traded on the Principal Market or securities market on which the Common Stock is then traded.
- (ccc) **"Transaction Documents"** means the Securities Purchase Agreements and this Certificate of Designation, and each of the other agreements and instruments entered into or delivered by the Corporation in connection with the transactions contemplated by the Securities

Purchase Agreements, all as may be amended from time to time in accordance with the terms thereof.

(ddd) **“Transfer Agent”** means Vstock Transfer .

(eee) **“Triggering Event”** shall have the meaning given to it in Section 6 hereto.

(fff) **“Triggering Event Conversion Price”** shall have the meaning given to it in Section 6 hereto.

2. **Designation and Number of Shares.** There shall hereby be created and established a series of preferred stock of the Corporation designated as “Series B Convertible Preferred Stock” (the **“Series B”**). The authorized number of Series B shares shall be 15,000 shares. Each share of Series B shall have a par value of \$0.001 and Stated Value equal to \$1,000, subject to adjustment as set forth herein.

3. **Ranking.** The Series B shall rank (i) senior to all of the Common Stock; (ii) senior to any class or series of capital stock of the Corporation hereafter created specifically ranking by its terms junior to any Series B (**“Junior Securities”**); and (iii) with any class or series of capital stock of the Corporation expressly designated (with Series B Holder approval as required by Section 15(a)) to rank on parity with the Series B (**“Parity Securities”**). Subject to any superior liquidation rights of the holders of any Senior Securities of the Corporation and the rights of the Corporation’s existing and future creditors, upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary (a **“Liquidation”**), each Holder shall be entitled to be paid out of the assets of the Corporation legally available for distribution to stockholders, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock and Junior Securities and *pari passu* with any distribution to the holders of Parity Securities, an amount equal to the Stated Value for each share of Series B held by such Holder and an amount equal to any accrued and unpaid dividends thereon, and thereafter the Holders shall be entitled to receive out of the assets, whether capital or surplus, of the Corporation the same amount that a holder of Common Stock would receive if the Series B were fully converted (disregarding for such purposes any conversion limitations hereunder) to Common Stock which amounts shall be paid *pari passu* with all holders of Common Stock. The Corporation shall mail written notice of any such Liquidation, not less than sixty (60) days prior to the payment date stated therein, to each Holder.

4. **Dividends and Conversion.**

(a) **[Reserved]**

(b) **Participating Dividends.** If the Corporation, at any time while any shares of Series B are outstanding, pays a dividend or distribution (other than one payable in shares of Common Stock or in Common Stock Equivalents) on shares of Common Stock, Holders as of the record date for such dividend or distribution on Common Stock shall be entitled to receive at the same time as such payment on Common Stock, and the Corporation shall pay, a dividend or distribution on each share of Series B equal to the per-share amount of the dividend or distribution on Common Stock multiplied by the number of shares of Common Stock into which such share of Series B was (on such record date) convertible (without regard to any limitations on conversion, including without limitation the Beneficial Ownership Limitation). Such dividend or distribution on Series B shall be paid in the same form as the dividend or distribution on Common Stock. The Series B shall not otherwise have any rights to dividends. The fair market value of any dividend or distribution to which a share of Series B has become entitled pursuant to this Section 4(b) but which has not yet been paid shall, until such dividend or distribution has been paid on such share of Series B, be

added to the Stated Value of such share of Series B.

5. Conversion. Each share of Series B shall be convertible immediately upon issuance, at the option of the Holder, at any time and from time to time, into validly issued, fully paid and non-assessable shares of Common Stock in accordance with this Section 5; provided, however, that unless and until the Corporation obtains Stockholder Approval, the Holder shall not be entitled to convert any shares of Series B to the extent that, after giving effect to such conversion, the Holder (together with its affiliates and any other persons whose beneficial ownership would be aggregated for purposes of Nasdaq Listing Rule 5635(d) or any similar rule of any other Principal Market on which the Common Stock is then listed or quoted for trading) would beneficially own in excess of 19.99% of the outstanding shares of Common Stock (the "**19.99% Ownership Limitation**").

(a) Holder's Conversion Right. Subject to the provisions of Section 5(d) and if Shareholder Approval is required by the rules and regulations of the Principal Trading Market, following receipt of such Shareholder Approval, at any time or times on or after the Initial Issuance Date, each Holder shall be entitled to convert any portion of the outstanding Series B held by such Holder into validly issued, fully paid and non-assessable shares of Common Stock in accordance with Section 5(c) at the Conversion Rate. The Corporation shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in its sole discretion, round such fraction of a share of Common Stock up to the nearest whole share or pay to the Holder a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price. The Corporation shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including fees and expenses of the Transfer Agent that may be payable with respect to the issuance and delivery of Common Stock upon conversion of any Conversion Amount; provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such conversion shares upon conversion in a name other than that of the Holder of such shares of Series B and the Corporation shall not be required to issue or deliver such conversion shares to such transferee unless or until the Person or Persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(b) Conversion Rate. The number of shares of Common Stock issuable upon conversion of any share of Series B pursuant to Section 5(a) shall be determined by dividing (x) the Conversion Amount of such share of Series B by (y) the Conversion Price (the "**Conversion Rate**");

(i) "**Conversion Amount**" means, with respect to each share of Series B, as of the applicable date of determination, the sum of the Stated Value at issue.

(ii) "**Conversion Price**" means, with respect to each share of Series B, as of any Conversion Date or other date of determination, 85% of the lowest daily volume weighted average price of the Common Stock for any of the ten (10) Trading Days immediately prior to the subject Conversion Date or other date of determination, subject to adjustment as provided herein, but in no event shall the Conversion Price be less than the Floor Price.

(c) Mechanics of Conversion. The conversion of each share of Series B shall be conducted in the following manner:

(i) (1) Optional Conversion. To convert a share of Series B into shares of

Common Stock at any time and from time to time from and after the Initial Issuance Date (a "**Conversion Date**"), a Holder shall deliver, via electronic mail or otherwise, for receipt on or prior to 11:59 p.m., Eastern time, on such date, a copy of an executed notice of conversion of the share(s) of Series B subject to such conversion in the form attached hereto as **Exhibit I** (the "**Conversion Notice**") to the Corporation. If required by Section 5(c)(iii), within three Trading Days following a conversion of any such Series B as aforesaid, such Holder shall surrender to a nationally recognized overnight delivery service for delivery to the Corporation the original certificates representing the Series B (the "**Series B Certificates**") so converted as aforesaid (or an indemnification undertaking with respect to the Series B in the case of its loss, theft or destruction as contemplated by Section 16). On or before the first Trading Day following the date of receipt of a Conversion Notice, the Corporation shall transmit by electronic mail an acknowledgment of confirmation, in the form attached hereto as **Exhibit II**, of receipt of such Conversion Notice to such Holder and the Corporation's Transfer Agent, which confirmation shall constitute an instruction to the Transfer Agent to process such Conversion Notice in accordance with the terms herein. On or before the second Trading Day following the date of receipt of a Conversion Notice (or such earlier date as required pursuant to the 1934 Act or other applicable law, rule, or regulation, including the rules of the Principal Market or other customary applicable policy for the settlement of a trade initiated on the applicable Conversion Date of such shares of Common Stock issuable pursuant to such Conversion Notice) (the "**Share Delivery Deadline**"), the Corporation shall (1) provided that the Transfer Agent is participating in The Depository Trust Corporation's ("**DTC**") Fast Automated Securities Transfer Program, credit such aggregate number of shares of Common Stock to which such Holder shall be entitled to such Holder's or its designee's balance account with DTC through its Deposit/Withdrawal at Custodian system, or (2) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to the address as specified in such Conversion Notice, a certificate, registered in the name of such Holder or its designee, for the number of shares of Common Stock to which such Holder shall be entitled. If the number of Series B represented by the Series B Certificate(s) submitted for conversion pursuant to Section 5(c)(i) is greater than the number of Series B being converted, then the Corporation shall, as soon as practicable and in no event later than two Trading Days after receipt of the Series B Certificate(s) and at its own expense, issue and deliver to such Holder (or its designee) a new Series B Certificate (in accordance with Section 16(d)) representing the number of Series B not converted. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of Series B shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date.

(ii) **Corporation's Failure to Timely Convert.** If the Corporation shall fail, for any reason or for no reason, on or prior to the applicable Share Delivery Deadline, to issue to such Holder a certificate for the number of shares of Common Stock to which such Holder is entitled and register such shares of Common Stock on the Corporation's share register or to credit such Holder's or its designee's balance account with DTC for such number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion of any Conversion Amount (as the case may be) (a "**Conversion Failure**"), then, in addition to all other remedies available to such Holder, (X) the Corporation shall pay in cash, as partial liquidated damages and not as a penalty, to such Holder on each day after the Share Delivery Deadline and during such Conversion Failure an amount equal to 120% of the product of (A) the sum of the number of shares of Common Stock not issued to such Holder on or prior to the Share Delivery Deadline and to which such Holder is entitled, multiplied by (B) the closing price of the Common Stock on the applicable Conversion Date and ending on the applicable Share Delivery Deadline, and (Y) such Holder, upon written notice to the Corporation, may

void its Conversion Notice with respect to, and retain or have returned, as the case may be, all, or any portion, of such Series B that has not been converted pursuant to such Conversion Notice; provided that the voiding of a Conversion Notice shall not affect the Corporation's obligations to make any payments which have accrued prior to the date of such notice pursuant to this Section 5(c)(ii) or otherwise. In addition to the foregoing, if on or prior to the Share Delivery Deadline the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, the Corporation shall fail to issue and deliver to such Holder (or its designee) a certificate and register such shares of Common Stock on the Corporation's share register or, if the Transfer Agent is participating in the DTC Fast Automated Securities Transfer Program, the Transfer Agent shall fail to credit the balance account of such Holder or such Holder's designee with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's exercise hereunder or pursuant to the Corporation's obligation pursuant to clause (II) below and if on or after such Share Delivery Deadline such Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Holder of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock, issuable upon such conversion that such Holder so is entitled to receive from the Corporation, then, in addition to all other remedies available to such Holder, the Corporation shall, within two Trading Days after receipt of such Holder's request and in such Holder's discretion, either: (I) pay cash to such Holder in an amount equal to such Holder's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including by any other Person in respect, or on behalf, of such Holder) (the "**Buy-In Price**"), at which point the Corporation's obligation to so issue and deliver such certificate or credit such Holder's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be) (and to issue such shares of Common Stock) shall terminate, or (II) promptly honor its obligation to so issue and deliver to such Holder a certificate or certificates representing such shares of Common Stock or credit such Holder's balance account with DTC for the number of shares of Common Stock to which such Holder is entitled upon such Holder's conversion hereunder (as the case may be) and pay cash to such Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (x) such number of shares of Common Stock to which such Holder is entitled multiplied by (y) the lowest Closing Sale Price of the Common Stock on any Trading Day during the period commencing on the date of the applicable Conversion Notice and ending on the date of such issuance and payment under this clause (ii).

(iii) Registration; Book Entry. The Corporation shall maintain a register (the "**Register**") for the recordation of the names and addresses of the Holders of each share of Series B and the Stated Value of the Series B (the "**Registered Series B**"). The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Corporation and each Holder of the Series B shall treat each Person whose name is recorded in the Register as the owner of a share of Series B for all purposes (including the right to receive payments and dividends hereunder) notwithstanding notice to the contrary. A registered share of Series B may be assigned, transferred or sold only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell one or more Registered Series B by such Holder thereof, the Corporation shall record the information contained therein in the Register and issue one or more new shares of Series B in the same aggregate Stated Value as the Stated Value of the surrendered Series B to the designated assignee or transferee pursuant to Section 17, provided that if the Corporation does not so record an assignment, transfer or sale (as the case may be) of such Series B shares within two Trading Days of such a request, then the Register shall be automatically deemed updated to

reflect such assignment, transfer or sale (as the case may be). Notwithstanding anything to the contrary set forth in this Section, following conversion of any Series B in accordance with the terms hereof, the applicable Holder shall not be required to physically surrender such Series B Certificate to the Corporation unless (A) the full or remaining number of Series B shares represented by the applicable Series B Certificate are being converted (in which event such certificate(s) shall be delivered to the Corporation as contemplated by this Section 5(c)(iii)) or (B) such Holder has provided the Corporation with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of Series B upon physical surrender of the applicable Series B Certificate. Each Holder and the Corporation shall maintain records showing the Stated Value and dividends converted and/or paid (as the case may be) and the dates of such conversions and/or payments (as the case may be) or shall use such other method, reasonably satisfactory to such Holder and the Corporation, so as not to require physical surrender of a Series B Certificate upon conversion. If the Corporation does not update the Register to record such Stated Value and dividends converted and/or paid (as the case may be) and the dates of such conversions and/or payments (as the case may be) within two Trading Days of such occurrence, then the Register shall be automatically deemed updated to reflect such occurrence. In the event of any dispute or discrepancy, such records of such Holder establishing the number of Series B to which the record holder is entitled shall be controlling and determinative in the absence of manifest error. A Holder and any transferee or assignee, by acceptance of a certificate, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of any Series B, the number of Series B represented by such certificate may be less than the number of Series B stated on the face thereof. Each Series B Certificate shall bear the following legend:

ANY TRANSFEREE OR ASSIGNEE OF THIS CERTIFICATE SHOULD CAREFULLY REVIEW THE TERMS OF THE CORPORATION'S CERTIFICATE OF DESIGNATIONS RELATING TO THE SHARES OF SERIES B CONVERTIBLE PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE. THE NUMBER OF SHARES OF SERIES B CONVERTIBLE PREFERRED STOCK REPRESENTED BY THIS CERTIFICATE MAY BE LESS THAN THE NUMBER OF SHARES OF SERIES B CONVERTIBLE PREFERRED STOCK STATED ON THE FACE HEREOF

(iv) Pro Rata Conversion; Disputes. In the event that the Corporation receives a Conversion Notice from more than one Holder for the same Conversion Date and the Corporation can convert some, but not all, of such Series B submitted for conversion, the Corporation shall convert from each Holder electing to have Series B converted on such date a pro rata amount of such Holder's Series B submitted for conversion on such date based on the number of Series B submitted for conversion on such date by such Holder relative to the aggregate number of Series B submitted for conversion on such date. In the event of a dispute as to the number of shares of Common Stock issuable to a Holder in connection with a conversion of Series B, the Corporation shall issue to such Holder the number of shares of Common Stock not in dispute and resolve such dispute in accordance with Section 22.

(d) Limitation on Beneficial Ownership. The Corporation shall not effect the conversion of any of the Series B held by a Holder, and such Holder shall not have the right to convert any of the Series B held by such Holder pursuant to the terms and conditions of this Certificate of Designation and any such conversion shall be null and void and treated as if never made, to the extent that after giving effect to such conversion, such Holder (together with such

Holder's Affiliates) would beneficially own in excess of 4.99% (the "**Maximum Percentage**") of the shares of Common Stock outstanding immediately after giving effect to such conversion (which provision may be increased to a maximum of 9.99% by such Holder by written notice from such Holder to the Corporation, which notice shall be effective 61 calendar days after the date of such notice). For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Holder shall include the number of shares of Common Stock held by such Holder plus the number of shares of Common Stock issuable upon conversion of the Series B with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted Series B beneficially owned by such Holder and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Corporation (including any Convertible Securities and Options) beneficially owned by such Holder subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 5(d). For purposes of this Section 5(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the 1934 Act and the rules thereunder. For purposes of determining the number of outstanding shares of Common Stock a Holder may acquire upon the conversion of such Series B without exceeding the Maximum Percentage, such Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Corporation's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the SEC, as the case may be, (y) a more recent public announcement by the Corporation or (z) any other written notice by the Corporation or the Transfer Agent, if any, setting forth the number of shares of Common Stock outstanding (the "**Reported Outstanding Share Number**"). Notwithstanding the preceding, the Holder may rely on the Transfer Agent's records if the Reported Outstanding Share Number is different than what the Corporation reports. If the Corporation receives a Conversion Notice from a Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Corporation shall notify such Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Conversion Notice would otherwise cause such Holder's beneficial ownership, as determined pursuant to this Section 5(d), to exceed the Maximum Percentage, such Holder must notify the Corporation of a reduced number of shares of Common Stock to be purchased pursuant to such Conversion Notice. For any reason at any time, upon the written or oral request of any Holder, the Corporation shall within one Trading Day confirm orally and in writing or by electronic mail to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including such Series B, by such Holder since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to a Holder upon conversion of such Series B results in such Holder being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the 1934 Act), the number of shares so issued by which such Holder's beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled ab initio, and such Holder shall not have the power to vote or to transfer the Excess Shares. For purposes of clarity, the shares of Common Stock issuable to a Holder pursuant to the terms of this Certificate of Designation in excess of the Maximum Percentage shall not be deemed to be beneficially owned by such Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the 1934 Act. No prior inability to convert such Series B pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 5(d) to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 5(d) or to make changes

or supplements necessary or desirable to properly give effect to such limitation. The provisions of this Section 5(d) shall be of no further force or effect if the Holder participates in a subsequent transaction with the Corporation which results in the Holder beneficially owning in excess of 4.99% of the number of shares of the Common Stock outstanding which shall include securities convertible into Common Stock which do not contain a beneficial ownership limitation. To ensure compliance with this restriction, each Holder will be deemed to represent to the Corporation each time it delivers a Conversion Notice that such Conversion Notice has not violated the restrictions set forth in this Section 5(d) and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. The limitations contained in this Section 5(d) shall apply to a successor holder of Series B.

(e) Triggering Event Conversion. Subject to Section 5(d), at any time during the period commencing on the date of the occurrence of a Triggering Event and ending on the date of the cure of such Triggering Event, a Holder may, at such Holder's option, by delivery of a Conversion Notice to the Corporation to convert all, or any number of Series B into shares of Common Stock at the Triggering Event Conversion Price. "Triggering Event Conversion Price" means, the lesser of (i) the Conversion Price, and (ii) 75% of the lowest daily volume weighted average price of the Common Stock for any of the ten Trading Days prior to date of the Conversion Notice; provided that the Triggering Event Conversion Price under this Section 5(e)(ii) shall be subject to Shareholder Approval and in no event may be lower than the Floor Price.

(f) Shareholder Approval. A Holder shall not convert any Series B Shares into shares of Common Stock which would result in the Holder beneficially owning in excess of 19.99% of the issued and outstanding shares of Common Stock of the Company until the Company has obtained the Shareholder Approval to the issuance of the Conversion Amount due to the aggregate number of shares of Common Stock issued after giving effect to the issuance of the Conversion Amount issuable upon conversion of the Series B exceeding 19.99% of all shares of Common Stock issued and outstanding on the Initial Issuance Date, subject to pro rata adjustment in connection with any stock splits, stock dividends, or similar changes to the Company's capitalization after the Initial Issuance Date.

6. Triggering Events.

(a) Triggering Event. Each of the following events shall constitute a "Triggering Event":

(i) the Corporation does not meet the current public information requirements under Rule 144 in respect of the shares of Common Stock issuable upon conversion of the Series B;

(ii) the Corporation ceases to be subject to the periodic reporting provisions of the 1934 Act;

(iii) the suspension from trading or failure of the Common Stock to be trading or listed (as applicable) on a Principal Market for a period of 10 consecutive Trading Days, *provided*, however, that this clause (iii) shall only apply following the Corporation's receipt of formal approval for listing on a Principal Market and after the Common Stock has commenced trading on such Principal Market for at least one (1) Trading Day;

(iv) the Corporation's written notice to any holder of Series B, including, without limitation, by way of public announcement or through any of its agents, at any time.

of its intention not to comply, as required, with a request for conversion of any Series B into shares of Common Stock that is requested in accordance with the provisions of this Certificate of Designation, other than pursuant to Section 5(d) hereof;

(v) at any time following the 10th consecutive day that a Holder's Authorized Share Allocation is less than 200% of the number of shares of Common Stock that such Holder would be entitled to receive upon a conversion, in full, of all of the Series B then held by such Holder (without regard to any limitations on conversion set forth in this Certificate of Designation);

(vi) the Corporation's failure to pay to any Holder any dividend on a Dividend Payment Date or any other amount when and as due under this Certificate of Designation, or any other Transaction Document, except, in the case of a failure to pay dividends on the Dividend Payment Date, only if such failure remains uncured for a period of at least 10 consecutive Trading Days;

(vii) the Corporation either (A) fails to cure a Conversion Failure by delivery of the required number of shares of Common Stock within two Trading Days after the applicable Conversion Date on two or more occasions or (B) fails to remove any restrictive legend on any certificate or any shares of Common Stock issued to such Holder upon conversion of any Series B or as and when required by this Certificate of Designation unless otherwise then prohibited by applicable federal securities laws, and any such failure to remove the legend remains uncured for at least ten consecutive Trading Days;

(viii) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Corporation or any Subsidiary which shall not be dismissed within 60 days of their initiation;

(ix) the commencement by the Corporation or any Subsidiary of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Corporation or any Subsidiary in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, the taking of corporate action by the Corporation or any Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a Uniform Commercial Code foreclosure sale or any other similar action under federal, state or foreign law;

(x) the entry by a court of (i) a decree, order, judgment or other similar document in respect of the Corporation or any Subsidiary of an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or (ii) a decree, order, judgment or other similar document adjudging the Corporation or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition

seeking liquidation, reorganization, arrangement, adjustment or composition of or in respect of the Corporation or any Subsidiary under any applicable federal, state or foreign law or (iii) a decree, order, judgment (but only such judgments in an amount of \$1,000,000 or more) or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Corporation or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs;

(xi) a final judgment or judgments for the payment of money in excess of \$1,000,000 are rendered against the Corporation and/or any of its Subsidiaries and which judgments are not, within 10 days after the entry thereof, bonded, discharged, settled or stayed pending appeal, or are not discharged within thirty 30 days after the expiration of such stay;

(xii) other than as specifically set forth in another clause of Section 6(a), the Corporation or any Subsidiary breaches any representation or warranty in any material respect (other than representations or warranties subject to material adverse effect or materiality, which may not be breached in any respect) or any covenant or other term or condition of any Transaction Document, except, in the case of a breach of a covenant or other term or condition that is curable, only if such breach remains uncured for a period of five consecutive Trading Days;

(xiii) failing to comply in any material respect with the reporting requirements of the 1934 Act (including, but not limited to, becoming delinquent in its filings);

(xiv) providing material non-public information to a Holder of Series B without their prior written consent;

(xv) any change in the Corporation's Transfer Agent without providing at least ten (10) days prior notice to the Holder of Series B;

(xvi) a false or inaccurate certification (including a false or inaccurate deemed certification) by the Corporation as to whether any Triggering Event has occurred; or

(xvii) the Corporation fails to obtain Shareholder Approval on or before the date that is ninety (90) calendar days after the Initial Issuance Date.

(b) Notice of a Triggering Event. Upon the occurrence of a Triggering Event, the Corporation shall within three Trading Days deliver written notice thereof via facsimile, electronic mail or overnight courier (with next day delivery specified) to each Holder.

7. Rights Upon Issuance of Purchase Rights and Other Corporate Events.

(a) Purchase Rights. In addition to any adjustments pursuant to Sections 8 and 9 below, if at any time the Corporation grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to all or substantially all of the record holders of any class of Common Stock (the "**Purchase Rights**"), then each Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of all the Series B (without taking into account any limitations or restrictions on the convertibility of the Series B) held by such Holder immediately prior to the date on which a record is taken for the grant, issuance or sale of such

Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that such Holder's right to participate in any such Purchase Right would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be entitled to participate in such Purchase Right to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Purchase Right (and beneficial ownership) to the extent of any such excess) and such Purchase Right to such extent shall be held in abeyance for such Holder until such time or times, if ever, as its right thereto would not result in such Holder exceeding the Maximum Percentage), at which time or times such Holder shall be granted such right (and any Purchase Right granted, issued or sold on such initial Purchase Right or on any subsequent Purchase Right to be held similarly in abeyance) to the same extent as if there had been no such limitation.

(b) **Other Corporate Events.** In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Corporation shall make appropriate provision to insure that each Holder will thereafter have the right to receive upon a conversion of all the Series B held by such Holder (i) in addition to the shares of Common Stock receivable upon such conversion, such securities or other assets to which such Holder would have been entitled with respect to such shares of Common Stock had such shares of Common Stock been held by such Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the convertibility of the Series B contained in this Certificate of Designation) or (ii) in lieu of the shares of Common Stock otherwise receivable upon such conversion, such securities or other assets received by the holders of shares of Common Stock in connection with the consummation of such Corporate Event in such amounts as such Holder would have been entitled to receive had the Series B held by such Holder initially been issued with conversion rights for the form of such consideration (as opposed to shares of Common Stock) at a conversion rate for such consideration commensurate with the Conversion Rate. The provision made pursuant to the preceding sentence shall be in a form and substance satisfactory to the Holder. The provisions of this Section 7 shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion of the Series B contained in this Certificate of Designation. "**Fundamental Transaction**" means the occurrence of the Corporation (i) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (A) consolidating or merging with or into (if the Corporation is the surviving corporation) another Person, (B) selling, assigning, transferring, conveying or otherwise disposing of all or substantially all of the properties or assets of the Corporation or any of its "significant subsidiaries" (as defined in Rule 1-02 of Regulation S-X) to one or more Persons, (C) making, or allowing one or more Persons to make, or allowing the Corporation to be subject to or have its Common Stock be subject to or party to one or more Persons making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding shares of Common Stock, (y) 50% of the outstanding shares of Common Stock calculated as if any shares of Common Stock held by all Persons making or party to, or affiliated with any Persons making or party to, such purchase, tender or exchange offer were not outstanding; or (z) such number of shares of Common Stock such that all Persons making or party to, or affiliated with any Person making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding shares of Common Stock, (D) consummating a stock or share purchase agreement or other business combination (including a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Persons whereby all such Persons, individually or in the aggregate, acquire, either (x) at least 50% of the outstanding shares of Common Stock, (y) at least 50% of the outstanding shares of Common

Stock calculated as if any shares of Common Stock held by all the Persons making or party to, or affiliated with any Persons making or party to, such stock purchase agreement or other business combination were not outstanding; or (z) such number of shares of Common Stock such that the Persons become collectively the beneficial owners (as defined in Rule 13d-3 under the 1934 Act) of at least 50% of the outstanding shares of Common Stock, or (E) reorganize, recapitalize or reclassify its Common Stock other than a stock split.

8. Price Protection.

Except for any Exempt Issuance (as hereinafter defined), in the event the Corporation issues or sells any securities including Options or Convertible Securities (or amends any outstanding securities of the Company), at an effective price of, or with an exercise or conversion price of less than the Conversion Price, then upon such issuance or sale, the Conversion Price shall be reduced to the sale price or the exercise or conversion price of the securities issued or sold. "Exempt Issuance" shall mean any sale or issuance by the Corporation of its Common Stock or securities convertible into, exercisable for or exchangeable for Common Stock in connection with (i) full or partial consideration in connection with a strategic merger, acquisition, consolidation or purchase of the securities or assets of a corporation or other entity (or any division or business unit thereof); (ii) reserved; (iii) the Corporation's issuance of Common Stock, restricted stock units or the issuances or grants of Options to purchase Common Stock to employees, officers or directors, under an equity incentive plan (or successor or superseding equity incentive plan) adopted by a majority of the non-employee members of the Board of Directors and the stockholders of the Corporation (limited to 5% of the Corporation's issued and outstanding Common Stock); (iv) securities issued upon the exercise or exchange of or conversion of any Convertible Securities or other securities issued and outstanding on the date of the issuance of Series B to securities holders of the Corporation in exchange for other securities existing as of the date this Certificate of Designation is filed with the Nevada Secretary of State and securities issued upon exercise or conversion of the Series B; or (v) the conversion or exercise of any Company securities which are outstanding (and have not been amended after) on the date of this Certificate of Designation. In case any shares of Common Stock, Convertible Securities or Options are issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction, each share of Common Stock underlying any such Convertible Securities or Options shall be deemed to be one additional share of Common Stock for the purposes of determining the effective price of the non-Exempt Issuance.

9. Adjustment of Conversion Price and Floor Price upon Subdivision of Common Stock. If

the Corporation at any time on or after the Initial Issuance Date subdivides (by any stock split, stock dividend, recapitalization or other similar transaction) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price and Floor Price in effect immediately prior to such subdivision will be proportionately reduced. Notwithstanding the foregoing, the Conversion Price and the Floor Price shall not be adjusted in the event of any reverse stock split, combination of shares, or other similar transaction that results in a decrease in the number of outstanding shares of Common Stock. Any adjustment pursuant to this Section 9 shall become effective immediately after the record date for such event (or, if no record date is set, the effective date of such event). If any event requiring an adjustment under this Section 9 occurs during the period that a Conversion Price and Floor Price are calculated hereunder, then the calculation of such Conversion Price and Floor Price shall be adjusted appropriately to reflect such event. For the avoidance of doubt, no reverse stock split, combination of shares, recapitalization or similar event that decreases the number of outstanding shares of Common Stock shall result in any increase to the Floor Price.

10. Participation in Future Financing.

- (a) Until the six (6) month anniversary of the issuance of the Series B to the Holder,

upon any issuance by the Corporation of Common Stock or Common Stock Equivalents for cash consideration or a combination of units hereof in a transaction exempt from registration under the Securities Act (a "**Subsequent Financing**"), the Holders of the outstanding Series B shall have the right to participate in an amount equal to an aggregate of 30% of the Subsequent Financing (the "**Participation Maximum**") on the same terms, conditions and price provided for in the Subsequent Financing. At least seventy-two (72) hours prior to the expected announcement or closing of the Subsequent Financing (whichever is first), the Corporation shall deliver to each Holder a written notice of its intention to effect a Subsequent Financing ("**Pre-Notice**"), which Pre-Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the person or persons through or with whom such Subsequent Financing is proposed to be effected (such additional notice, a "**Subsequent Financing Notice**"). If the Holder desires to participate in such Subsequent Financing it must provide written notice to the Company within thirty six hours of the time the Subsequent Financing Notice is delivered to such Holder (the "**Notice Termination Time**") that such Holder is willing to participate in the Subsequent Financing, the amount of such Holder's participation, and representing and warranting that such Holder has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice, holds a number of shares of Common Stock acquired pursuant to this Agreement equal to or greater than the number proposed to be purchased in the Subsequent Financing, and will not as a result of such purchase beneficially own more than 4.99% of shares of Common Stock, either individually or as part of a Group as defined in Section 13(d) of the Exchange Act; provided that the Holder may, at its sole election upon written notice to the Corporation, increase such ownership limitation to up to 9.99% effective sixty-one (61) days after delivery of such notice. If the Company receives no such notice from a Holder as of such Notice Termination Time, such Holder shall be deemed to have notified the Company that it does not elect to participate in such Subsequent Financing. Notwithstanding the foregoing, a "Subsequent Financing" shall not include any greenshoe financing in connection with the offering of the Series B shares.

(b) If by the Notice Termination time, the Corporation receives responses to a Subsequent Financing Notice from Holders seeking to purchase more than the aggregate amount of the Participation Maximum, each such Holder shall have the right to purchase its Pro Rata Portion (as defined below) of the Participation Maximum. "**Pro Rata Portion**" means the ratio of (x) the amount of Series B issued on the Initial Issuance Date to the Holder participating under this Section 10 and (y) the sum of the aggregate amount of Series B issued on the Initial Issuance Date to all Holders participating under this Section 10.

(c) The Corporation must provide the Holders with a second Subsequent Financing Notice, and the Holders will again have the right of participation set forth above in this Section 10, if the Subsequent Financing subject to the initial Subsequent Financing Notice is not consummated for any reason on the terms set forth in such Subsequent Financing Notice within thirty (30) Trading Days after the date of the initial Subsequent Financing Notice.

(d) The Corporation and each Holder agree that if any Holder elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision whereby such Holder shall be required to agree to any restrictions on trading as to any of the securities held by it or be required to consent to any amendment to or termination of, or grant any waiver, release or the like under or in connection with, this Agreement, without the prior written consent of such Holder.

(e) Notwithstanding anything to the contrary in this Section 10 and unless otherwise agreed to by such Holder, the Corporation shall either confirm in writing to such Holder that the

transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that such Holder will not be in possession of any material, non-public information, by the 10<sup>th</sup> Business Day following delivery of the Subsequent Financing Notice. If by such 10<sup>th</sup> Business Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by such Holder, such transaction shall be deemed to have been abandoned and such Holder shall not be deemed to be in possession of any material, non-public information with respect to the Corporation or any of its Subsidiaries.

(f) The Corporation represents and covenants that neither the Pre-Notice nor any related notice shall contain, nor be deemed to contain, any material nonpublic information (MNPI). The Corporation shall publicly disclose the material terms of the Subsequent Financing by means of a press release or filing of a Current Report on Form 8-K, to the extent required, prior to or contemporaneously with the delivery of any such notice to the Holder. Each Holder shall be entitled to rely on the Corporation's representation that no MNPI is included, and any failure by the Corporation to comply with this provision shall be deemed a material breach of this Certificate of Designation.

11. Non-circumvention. The Corporation hereby covenants and agrees that the Corporation will not, by amendment of its Articles of Incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue 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 Certificate of Designation, and will at all times in good faith carry out all the provisions of this Certificate of Designation and take all action as may be required to protect the rights of the Holders. Without limiting the generality of the foregoing or any other provision of this Certificate of Designation, the Corporation (a) shall not increase the par value of any shares of Common Stock receivable upon the conversion of any Series B above the Conversion Price then in effect, (b) shall take all such actions as may be necessary or appropriate in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock upon the conversion of Series B and (c) shall, so long as any Series B are outstanding, and upon the filing of an amendment to the Corporation's Articles of Incorporation to increase the number of shares of the Corporation's Common Stock that the Corporation is authorized to issue with the Secretary of State of the State of Nevada, take all action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Series B, five (5) times the maximum number of shares of Common Stock as shall from time to time be necessary to effect the conversion of all of the Series B then outstanding (without regard to any limitations on conversion contained herein).

12. Authorized Shares.

(a) Reservation. So long as any Series B remain outstanding, the Corporation shall at all times reserve not less than five (5) times the number of shares of Common Stock issuable upon full conversion of all outstanding Series B at the then-effective Floor Price (without regard to any limitations on conversions) (the "**Required Reserve Amount**"). The Required Reserve Amount (including each increase in the number of shares so reserved) shall be allocated pro rata among the Holders based on the number of the Series B held by each Holder (the "**Authorized Share Allocation**"). In the event that a Holder shall sell or otherwise transfer any of such Holder's Series B, each transferee shall be allocated a pro rata portion of such Holder's Authorized Share

Allocation. If the Required Reserve Amount is not met at such time, any shares of Common Stock reserved and allocated to any Person which ceases to hold any Series B shall be allocated to the remaining Holders of Series B, pro rata based on the number of the Series B then held by the Holders.

(b) Insufficient Authorized Shares. If, notwithstanding Section 12(a) and not in limitation thereof, while any of the Series B remain outstanding the Corporation does not have a sufficient number of authorized and unreserved shares of Common Stock to satisfy its obligation to reserve for issuance upon conversion of the Series B at least a number of shares of Common Stock equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Corporation shall immediately take all action necessary to increase the Corporation's authorized shares of Common Stock to an amount sufficient to allow the Corporation to reserve the Required Reserve Amount for the Series B then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) calendar days after the occurrence of such Authorized Share Failure, the Corporation shall use its best efforts to hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Corporation shall prepare, file with the SEC, and mail to stockholders a definitive information statement on Schedule 14C (in lieu of a proxy statement) seeking Shareholder Approval, shall keep such Schedule 14C current and effective until such approval is obtained, and shall adjourn or extend the timeline as necessary to solicit the required approvals. In lieu of a meeting of stockholders, the Corporation may effect such action by written consent in accordance with Section 14(c) of the 1934 Act. Except as provided in the first sentence of Section 12(a), if the Corporation is prohibited from issuing shares of Common Stock upon any conversion due to an insufficiency of authorized but unissued shares, the applicable Conversion Notice shall remain outstanding and the Corporation shall issue such shares promptly upon the availability of sufficient authorized and unissued shares, while continuing to use its best efforts to obtain Shareholder Approval as set forth herein. Nothing contained in this Section shall limit any obligations of the Corporation under any provision of the Transaction Documents.

13. Liquidation, Dissolution, Winding-Up. In the event of a Liquidation Event, the Holders shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders (the "**Liquidation Funds**"), before any amount shall be paid to the holders of any of shares of Junior Stock, but pari passu with any Parity Stock then outstanding, an amount per share of Series B equal to the greater of (A) the Conversion Amount thereof on the date of such payment or (B) the amount per share such Holder would receive if such Holder converted such Series B into Common Stock immediately prior to the date of such payment, provided that if the Liquidation Funds are insufficient to pay the full amount due to the Holders and holders of shares of Parity Stock, then each Holder and each holder of Parity Stock shall receive a percentage of the Liquidation Funds equal to the full amount of Liquidation Funds payable to such Holder and such holder of Parity Stock as a liquidation preference, in accordance with their respective certificate of designations (or equivalent), as a percentage of the full amount of Liquidation Funds payable to all holders of Series B and all holders of shares of Parity Stock. To the extent necessary, the Corporation shall cause such actions to be taken by each of its Subsidiaries so as to enable, to the maximum extent permitted by law, the proceeds of a Liquidation Event to be distributed to the Holders in accordance with this Section 13. All the preferential amounts to be paid to the Holders under this Section 13 shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any Liquidation Funds of the Corporation to the holders of shares of Junior Stock in connection with a Liquidation Event as to which this Section 13 applies.

14. Distribution of Assets. In addition to any adjustments pursuant to Section 8 and 9, if the

Corporation shall declare or make any dividend or other distributions of its assets (or rights to acquire its assets) to any or all holders of shares of Common Stock, by way of return of capital or otherwise (including any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (the "Distributions"), then each Holder, as holders of Series B, will be entitled to such Distributions as if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of the Series B (without taking into account any limitations or restrictions on the conversion of the Series B) immediately prior to the date on which a record is taken for such Distribution or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for such Distributions (provided, however, that to the extent that such Holder's right to participate in any such Distribution would result in such Holder exceeding the Maximum Percentage, then such Holder shall not be entitled to participate in such Distribution to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Distribution (and beneficial ownership) to the extent of any such excess) and the portion of such Distribution shall be held in abeyance for such Holder until such time or times as its right thereto would not result in such Holder exceeding the Maximum Percentage, at which time or times, if any, such Holder shall be granted such rights (and any rights under this Section 13 on such initial rights or on any subsequent such rights to be held similarly in abeyance) to the same extent as if there had been no such limitation).

15. Vote.

(a) To Change the Terms of or Issue Series B. In addition to any other rights provided by law, except where the vote or written consent of the holders of a greater number of shares is required by law, without first obtaining the affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting, of at least 50.1% of the outstanding shares of Series B, voting together as a single class, the Corporation shall not, directly or indirectly: (a) amend or repeal any provision of, or add any provision to, its charter documents, including, without limitation, its Articles of Incorporation or bylaws, this Certificate of Designation, or file any certificate of designations or articles of amendment of any series of shares of preferred stock, if such action would adversely alter or change in any respect the preferences, rights, privileges or powers, or restrictions provided for the benefit, of the Series B, regardless of whether any such action shall be by means of amendment to the Articles of Incorporation or by merger, consolidation or otherwise; (b) increase or decrease (other than by conversion) the authorized number of Series B; (c) without limiting any provision of Section 2, create or authorize (by reclassification or otherwise) any new class or series of shares that has a preference over or is on a parity with the Series B with respect to dividends or the distribution of assets on the liquidation, dissolution or winding up of the Corporation; (d) pay dividends or make any other distribution on any shares of any capital stock of the Corporation junior in rank to the Series B; (e) issue any Series B other than as provided in Section 2; or (f) without limiting any provision of Section 8 and 9, whether or not prohibited by the terms of the Series B, circumvent a right of the Series B.

(b) No Voting Rights. Notwithstanding anything herein to the contrary, and for the avoidance of doubt, the Series B shall have no voting rights, except as required by applicable law or as expressly provided in the Articles of Incorporation or this Certificate of Designation.

16. Transfer of Series B. A Holder may transfer some or all of its Series B without the consent of the Corporation subject to compliance with securities laws.

17. Reissuance of Preferred Certificates.

(a) Transfer. If any Series B are to be transferred, the applicable Holder shall

surrender the applicable Series B Certificate to the Corporation, whereupon the Corporation will forthwith issue and deliver upon the order of such Holder a new Series B Certificate (in accordance with Section 17(d)), registered as such Holder may request, representing the outstanding number of Series B being transferred by such Holder and, if less than the entire outstanding number of Series B is being transferred, a new Series B Certificate (in accordance with Section 17(d)) to such Holder representing the outstanding number of Series B not being transferred. Such Holder and any assignee, by acceptance of the Series B Certificate, acknowledge and agree that, by reason of the provisions of Section 5(c)(i) following conversion of any of the Series B, the outstanding number of Series B represented by the Series B may be less than the number of Series B stated on the face of the Series B Certificate.

(b) Lost, Stolen or Mutilated Series B Certificate. Upon receipt by the Corporation of evidence reasonably satisfactory to the Corporation of the loss, theft, destruction or mutilation of a Series B Certificate (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the applicable Holder to the Corporation in customary and reasonable form without the requirement to post a bond or other security and, in the case of mutilation, upon surrender and cancellation of such Series B Certificate, the Corporation shall execute and deliver to such Holder a new Series B Certificate (in accordance with Section 17(d)) representing the applicable outstanding number of Series B.

(c) Series B Certificate Exchangeable for Different Denominations. Each Series B Certificate is exchangeable, upon the surrender hereof by the applicable Holder at the principal office of the Corporation, for a new Series B Certificate or Series B Certificate(s) (in accordance with Section 17(d)) representing in the aggregate the outstanding number of the Series B in the original Series B Certificate, and each such new certificate will represent such portion of such outstanding number of Series B from the original Series B Certificate as is designated by such Holder at the time of such surrender.

(d) Issuance of New Series B Certificate. Whenever the Corporation is required to issue a new Series B Certificate pursuant to the terms of this Certificate of Designation, such new Series B Certificate (i) shall represent, as indicated on the face of such Series B Certificate, the number of Series B remaining outstanding (or in the case of a new Series B Certificate being issued pursuant to Section 17(a) or Section 17(c), the number of Series B designated by such Holder which, when added to the number of Series B represented by the other new Series B Certificates issued in connection with such issuance, does not exceed the number of Series B remaining outstanding under the original Series B Certificate immediately prior to such issuance of new Series B Certificate), and (ii) shall have an issuance date, as indicated on the face of such new Series B Certificate, which is the same as the issuance date of the original Series B Certificate.

(e) Book Entry. If the Corporation's Transfer Agent issues the Series B in book entry format, all provisions of this Certificate of Designation as to delivery of Series B certificates shall be disregarded, and the Transfer Agent shall make entries in the stock transfer records in connection with conversions and transfers, as appropriate.

18. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designation shall be cumulative and in addition to all other remedies available under this Certificate of Designation and any of the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Corporation to comply with the terms of this Certificate of Designation. The Corporation covenants to each Holder that

there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Corporation (or the performance thereof). The Corporation acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Corporation therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The Corporation shall provide all information and documentation to a Holder that is requested by such Holder to enable such Holder to confirm the Corporation's compliance with the terms and conditions of this Certificate of Designation.

19. Attorneys' Fees.

(a) If (i) any shares of Series B are placed in the hands of an attorney to enforce the provisions of this Certificate of Designation or (ii) there occurs any bankruptcy, reorganization, receivership of the Corporation or other proceedings affecting Corporation creditors' rights and involving a claim under this Certificate of Designation, then the Corporation shall pay the costs incurred by such Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including attorneys' fees and disbursements.

(b) In addition to the obligations under Section 19(a), in connection with the removal of restrictive legends from shares of Series B, the Corporation shall pay the reasonable attorney's fees of counsel to any Holder in any amount not to exceed \$750 per opinion of counsel. Such payment(s) shall be made within one Trading Day after receipt of a Conversion Notice or other notice from a Holder.

20. Construction; Headings. This Certificate of Designation shall be deemed to be jointly drafted by the Corporation and the Holders and shall not be construed against any such Person as the drafter hereof. The headings of this Certificate of Designation are for convenience of reference and shall not form part of, or affect the interpretation of, this Certificate of Designation. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Certificate of Designation instead of just the provision in which they are found. Unless expressly indicated otherwise, all section references are to sections of this Certificate of Designation.

21. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. Notwithstanding the foregoing, nothing contained in this Section 21 shall permit any waiver of any provision of Section 19.

22. Dispute Resolution.

(a) In the case of a dispute relating to the Closing Sale Price, a Conversion Price or a

fair market value or the arithmetic calculation of a Conversion Rate, (including a dispute relating to the determination of any of the foregoing), the Corporation or the applicable Holder (as the case may be) shall submit the dispute to the other party via electronic mail (A) if by the Corporation, within two Trading Days after the occurrence of the circumstances giving rise to such dispute or (B) if by such Holder at any time after such Holder learned of the circumstances giving rise to such dispute. If such Holder and the Corporation are unable to promptly resolve such dispute relating to such Closing Sale Price, such Conversion Price or such fair market value, or the arithmetic calculation of such Conversion Rate, at any time after the second Trading Day following such initial notice by the Corporation or such Holder (as the case may be) of such dispute to the Corporation or such Holder (as the case may be), then such Holder may, at its sole option, select an independent, reputable investment bank to resolve such dispute.

(b) Such Holder and the Corporation shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 22(a) and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (Eastern time) by the fifth Trading Day immediately following the date on which such Holder selected such investment bank (the "**Dispute Submission Deadline**") (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the "**Required Dispute Documentation**") (it being understood and agreed that if either such Holder or the Corporation fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline), except that (A) if any Required Dispute Documentation is not reasonably available to the Holder and is in the sole possession of the Corporation, the Holder may request that the Corporation, and the Corporation shall, provided such Required Dispute Documentation to the chosen investment bank; and (B) such investment bank shall not be precluded from requesting any additional information or documentation from the Holder or from the Corporation which it deems reasonably necessary to resolve the dispute fairly and accurately. Unless otherwise agreed to in writing by both the Corporation and such Holder or otherwise requested by such investment bank, neither the Corporation nor such Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(c) The Corporation and such Holder shall cause such investment bank to determine the resolution of such dispute and notify the Corporation and such Holder of such resolution no later than 10 Trading Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Corporation, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

23. Notices. The Corporation shall provide each Holder of Series B with prompt written notice of all actions taken pursuant to the terms of this Certificate of Designation, including in reasonable detail a description of such action and the reason therefor. Whenever notice is required to be given under this Certificate of Designation, unless otherwise provided herein, such notice must be in writing and shall be given in accordance with Section 8(e) of the Purchase Agreement or in accordance with any other instructions provided by the Holder to the Corporation. The Corporation shall provide each Holder with prompt written notice of all actions taken pursuant to this Certificate of Designation, including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Corporation shall give written notice to each Holder (i) immediately upon any adjustment of the

Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least 4 days prior to the date on which the Corporation closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Stock, (B) with respect to any grant, issuances, or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to such Holder. All notices shall be by email or recognized overnight delivery service, next Trading Day delivery using the addresses of the Corporation as provided to the Holders and the addresses of any Holder as provided by such Holder to the Corporation. The Corporation and the Holders may change their addresses by notice by the Corporation to all Holders or any Holder to the Corporation. Without limitation of the foregoing, the Corporation shall promptly notify each Holder of the filing, clearance and mailing dates of any preliminary or definitive Schedule 14C relating to Shareholder Approval and of the anticipated and actual effectiveness dates of any corporate action described therein.

24. Governing Law; Exclusive Jurisdiction. This Certificate of Designation shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Certificate of Designation shall be governed by, the internal laws of the State of Nevada, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Nevada or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Nevada. Except as otherwise required by this Certificate of Designation, the Corporation and Holders hereby irrevocably submit to the exclusive jurisdiction of the state and federal courts sitting in the New York County, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein (i) shall be deemed or operate to preclude any Holder from bringing suit or taking other legal action against the Corporation in any other jurisdiction to collect on the Corporation's obligations to such Holder, or to enforce a judgment or other court ruling in favor of such Holder or (ii) shall limit, or shall be deemed or construed to limit, any provision of Section 21. The Corporation and each Holder hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Certificate of Designation or the transactions contemplated hereby.

25. Severability. If any provision of this Certificate of Designation is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Certificate of Designation so long as this Certificate of Designation as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

26. Amendment. This Certificate of Designation or any provision hereof (other than Section 5(d)) may be modified or amended or the provisions hereof waived with the written consent of the

Corporation and the Holders of 50.1% of the outstanding shares of Series B at the time of the waiver. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

\* \* \* \* \*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation of Series B Convertible Preferred Stock of Focus Universal Inc. to be signed by its Chief Executive Officer on this 17 day of October 2025.

**FOCUS UNIVERSAL INC.**

By: */s/ Desheng Wang*  
Name: Desheng Wang  
Title: CEO

**EXHIBIT I**

**FOCUS UNIVERSAL INC.  
CONVERSION NOTICE**

Reference is made to the Certificate of Designation, Preferences and Rights of the Series B Convertible Preferred Stock of Focus Universal Inc. (the "**Certificate of Designation**"). In accordance with and pursuant to the Certificate of Designation, the undersigned hereby elects to convert the number of shares of Series B Convertible Preferred Stock, \$0.0001 par value per share (the "**Series B**"), of Focus Universal Inc., a Nevada corporation (the "**Corporation**"), indicated below into shares of common stock, \$0.001 par value per share (the "**Common Stock**"), of the Corporation, as of the date specified below.

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

Aggregate number of Series B to be converted \_\_\_\_\_

Aggregate Stated Value of such Series B to be converted: \_\_\_\_\_

Aggregate accrued and unpaid dividends and accrued with respect to such Series B and such aggregate dividends to be converted: \_\_\_\_\_

AGGREGATE CONVERSION AMOUNT TO BE CONVERTED: \_\_\_\_\_

Please confirm the following information:

Conversion Price: \_\_\_\_\_

Number of shares of Common Stock to be issued: \_\_\_\_\_

Please issue the Common Stock into which the applicable Series B are being converted to Holder, or for its benefit, as follows:

Check here if requesting delivery as a certificate to the following name and to the following address:

Issue to: \_\_\_\_\_  
\_\_\_\_\_

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

Check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DWAC  
delivery

DTC  
Participant:

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

Date: \_\_\_\_\_,

\_\_\_\_\_  
Name of Registered Holder

By: \_\_\_\_\_

Name:

Title:

Tax ID: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-mail Address:

**EXHIBIT II**

**ACKNOWLEDGMENT**

The Corporation hereby acknowledges this Conversion Notice and hereby directs \_\_\_\_\_ to issue the above indicated number of shares of Common Stock in accordance with the Transfer Agent Instructions dated October \_\_\_\_, 2025 from the Corporation and acknowledged and agreed to by \_\_\_\_\_.

**FOCUS UNIVERSAL INC.**

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

SERIES A PREFERRED STOCK PURCHASE AGREEMENT

THIS SERIES A PREFERRED STOCK PURCHASE AGREEMENT (this “**Agreement**”), is made as of \_\_\_\_\_ by and among Focus Universal Inc., a Nevada corporation (the “**Company**”), and \_\_\_\_\_ (the “**Purchaser**”). The Purchaser and the Company are referred to herein as the “**Parties**.”

The Parties do hereby agree as follows:

**1. Purchase and Sale of Preferred Stock.**

**1.1 Purchase and Sale.**

- (a) The Company shall adopt and file with the Secretary of State of the State of Nevada on or before the Closing (as defined below) the Series A Preferred Stock Certificate of Designation in the form of Exhibit A, attached to this Agreement (the “**Series A Preferred Stock Certificate of Designation**”).
- (b) Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase at the Closing, \_\_\_\_\_ shares of Series A Preferred Stock, each having a par value of \$0.001 (the “**Series A Preferred Stock**”), at the purchase price of \$ \_\_\_\_ per share for the Series A Preferred Stock, for a total purchase price of \$ \_\_\_\_\_. The shares of Series A Preferred Stock issued to the Purchaser pursuant to this Agreement shall be referred to in this Agreement as the “**Shares**.”

**1.2 Closing; Delivery.**

- (a) The purchase and sale of the Shares shall take place remotely via the exchange of documents and signatures, at such time and place as the Company and the Purchaser mutually agree upon, orally or in writing (which time and place are designated as the “**Closing**”).
- (b) At the Closing, the Company shall deliver to the Purchaser a certificate representing the Shares being purchased against payment of the purchase price therefor by check payable to the Company, by wire transfer to a bank account designated by the Company.

**1.3 Use of Proceeds.** In accordance with the directions of the Company’s Board of Directors, the Company will use the proceeds from the sale of the Shares for product development and other general corporate purposes.

**1.4 Defined Terms Used in this Agreement.** In addition to the terms defined above, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

- (a) “**Agreement**” has the meaning given in the preamble.
- (b) “**Board of Directors**” means the board of directors of Focus Universal Inc.
- (c) “**Bylaws**” means the bylaws of Focus Universal Inc.
- (d) “**Closing**” means the date on, and place in, which the purchase and sale of the Shares takes place.
- (e) “**Common Stock**” means the common stock of Focus Universal Inc., having a par value of \$0.001 per share.
- (f) “**Company**” means Focus Universal Inc.

- (g) “**Company Intellectual Property**” means all patents, patent applications, registered and unregistered trademarks, trademark applications, registered and unregistered service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and any and all such cases that are owned or used by the Company in the conduct of the Company’s business as now conducted and as presently proposed to be conducted.
- (h) “**Key Employee**” means any executive-level employee (including division director and vice president-level positions) as well as any employee or consultant who either alone or in concert with others develops, invents, programs or designs any Company Intellectual Property.
- (i) “**Knowledge**” including the phrase “**to the Company’s knowledge**” shall mean the actual knowledge after reasonable investigation of the chief executive officer.
- (j) “**Material Adverse Effect**” means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property, prospects or results of operations of the Company.
- (k) “**Parties**” has the meaning given in the preamble.
- (l) “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.
- (m) “**Preferred Stock**” means the preferred stock of the Company.
- (n) “**Purchaser**” means the Purchaser who is initially a party to this Agreement and any additional Purchaser who becomes a party to this Agreement at a subsequent Closing under Subsection 1.2.
- (o) “**Regulation D**” means Regulation D of the Securities Act of 1933.
- (p) “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
- (q) “**Shares**” means the shares of Series A Preferred Stock issued at the Closing.
- (r) “**Transaction Agreements**” means this Agreement and any ancillary documents that may be necessary according to the terms contained herein.

## 2. Representations and Warranties of the Company.

The Company hereby represents and warrants to Purchaser that the following representations are true and complete as of the date of the Closing, except as otherwise indicated.

**2.1. Organization, Good Standing, Corporate Power and Qualification.** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

**2.2. Subsidiaries.** The Company does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

**2.3. Authorization.** All corporate action required to be taken by the Company's Board of Directors and stockholders in order to authorize the Company to enter into the Transaction Agreements, and to issue the Shares at the Closing and the Common Stock issuable upon conversion of the Shares, has been taken or will be taken prior to the Closing. All action on the part of the officers of the Company necessary for the execution and delivery of the Transaction Agreements, the performance of all obligations of the Company under the Transaction Agreements to be performed as of the Closing, and the issuance and delivery of the Shares has been taken or will be taken prior to the Closing. The Transaction Agreements, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

**2.4. Valid Issuance of Shares.** The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities laws and liens or encumbrances created by or imposed by the Purchaser. Assuming the accuracy of the representations of the Purchaser in Section 3 of this Agreement, the Shares will be issued in compliance with all applicable federal and state securities laws. The Common Stock issuable upon conversion of the Shares has been duly reserved for issuance, and upon issuance in accordance with the terms of the Certificate of Designation, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable federal and state securities laws and liens or encumbrances created by or imposed by the Purchaser. Based in part upon the representations of the Purchaser in Section 3 of this Agreement, the Common Stock issuable upon conversion of the Shares will be issued in compliance with all applicable federal and state securities laws.

**2.5. Governmental Consents and Filings.** Assuming the accuracy of the representations made by the Purchaser in Section 3 of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except for (i) the filing of the Certificate of Designation, which will have been filed as of the Closing, and (ii) filings pursuant to Regulation D of the Securities Act, and applicable state securities laws, which have been made or will be made in a timely manner.

**2.6. Litigation.** To the Company's knowledge, there is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or to the Company's knowledge, currently threatened (i) against the Company or any officer, director or Key Employee of the Company; (ii) that questions the validity of the Transaction Agreements or the right of the Company to enter into them, or to consummate the transactions contemplated by the Transaction Agreements; or (iii) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither the Company nor, to the Company's knowledge, any of its officers, directors or Key Employees is a party or is named as subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality (in the case of officers, directors or Key Employees, such as would affect the Company).

**2.7. Intellectual Property.** To the Company's knowledge, the Company owns or possesses or can acquire on commercially reasonable terms sufficient legal rights to all Company Intellectual Property without any known conflict with, or infringement of, the rights of others, including prior employees or consultants, with which any of them may be affiliated now or may have been affiliated in the past.

**2.8. Employee Matters.** To the Company's knowledge, none of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's ability to promote the interest of the Company or that would conflict with the Company's business. Neither the execution or delivery of the Transaction Agreements, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as now conducted and as presently proposed to be conducted, will, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

**2.9. Corporate Documents.** The Certificate of Incorporation and Bylaws of the Company are in the form provided to the Securities and Exchange Commission in the Company's public filings. The copy of the minute books of the Company can be provided to the Purchaser upon request and contains minutes of all meetings of directors and stockholders and all actions by written consent without a meeting by the directors and stockholders since the date of incorporation.

**2.10. Disclosure.** The Company has made available to the Purchaser all the information reasonably available to the Company through its public filings on the Securities and Exchange Commission website. No representation or warranty of the Company contained in this Agreement and no certificate furnished or to be furnished to Purchaser at the Closing contains any untrue statement of a material fact or, omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

**3. Representations and Warranties of the Purchaser.** The Purchaser hereby represents and warrants to the Company that:

**3.1 Authorization.** The Purchaser has full power and authority to enter into the Transaction Agreements. The Transaction Agreements to which the Purchaser is a party, when executed and delivered by the Purchaser, will constitute valid and legally binding obligations of the Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, or (b) to the extent the indemnification provisions contained in the Transaction Agreements may be limited by applicable federal or state securities laws.

**3.2 Purchase Entirely for Own Account.** This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms, that the Shares to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Shares. The Purchaser has not been formed for the specific purpose of acquiring the Shares.

**3.3 Disclosure of Information.** The Purchaser has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Shares with the Company's management and has had an opportunity to ask questions and review the Company's facilities. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Purchasers to rely thereon. The Purchaser understands that the Company has been notified by Nasdaq of its noncompliance and may be delisted upon the expiration of the 180 day compliance period in December 2025.

**3.4 Restricted Securities.** The Purchaser understands that the Shares have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Shares are "**restricted securities**" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Purchaser must hold the Shares indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Purchaser acknowledges that the Company has no obligation to register or qualify the Shares, or the Common Stock into which it may be converted, for resale. The Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Shares, and on requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

**3.5 No Public Market.** The Purchaser understands that no public market now exists for the Series A Preferred Shares, and that the Company has made no assurances that a public market will ever exist for the Shares. Upon conversion into restricted Common Stock, then the Common Stock may be tradeable upon the Nasdaq Capital Market, once unrestricted. It is the Purchaser's responsibility to unrestrict the Common Stock.

**3.6 Legends.** The Purchaser understands that the Shares and any securities issued in respect of or exchange for the Shares, may be notated with one or all of the following legends; and any legend set forth in, or required by, the other Transaction Agreements. Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate, instrument, or book entry so legended:

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

**3.7 Accredited Investor.** The Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

**3.8 Reliance.** The Purchaser acknowledges that it is not relying upon any Person, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. The Purchaser agrees that neither any Purchaser nor the respective controlling Persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore taken or omitted to be taken by any of them in connection with the purchase of the Shares.

**4. Conditions to the Purchasers' Obligations at Closing.** The obligation of the Purchaser to purchase Shares at the Closing is subject to the fulfillment, on or before such Closing, of each of the following conditions, unless otherwise waived:

**4.1 Representations and Warranties.** The representations and warranties of the Company contained in Section 2 shall be true and correct in all respects as of such Closing.

**4.2 Performance.** The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before such Closing.

- 4.3 **Qualifications.** All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall be obtained and effective as of such Closing.
- 4.4 **Certificate of Designation.** The Company shall have filed the Certificate of Designation with the Secretary of State of Nevada on or prior to the Closing, which shall continue to be in full force and effect as of the Closing.
- 4.5 **Proceedings and Documents.** All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to the Purchaser, and the Purchaser (or its counsel) shall have received all such counterpart original and certified or other copies of such documents as reasonably requested.
5. **Conditions of the Company's Obligations at Closing.** The obligation of the Company to sell Shares to the Purchaser at the Closing is subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:
- 5.1 **Representations and Warranties.** The representations and warranties of the Purchaser contained in Section 3 shall be true and correct in all respects as of such Closing.
- 5.2 **Performance.** The Purchaser shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before such Closing.
- 5.3 **Qualifications.** All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall be obtained and effective as of the Closing.
6. **Miscellaneous.**
- 6.1 **Survival of Warranties.** Unless otherwise set forth in this Agreement, the representations and warranties of the Company and the Purchaser contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of the Purchaser or the Company.
- 6.2 **Successors and Assigns.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.
- 6.3 **Governing Law.** This Agreement shall be governed by the internal law of the State of Nevada, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Nevada.
- 6.4 **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

- 6.5 Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.
- 6.6 Notices.** All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail or facsimile during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on the signature page, or to such e-mail address, facsimile number or address as subsequently modified by written notice given in accordance with this Subsection 6.6.
- 6.7 No Finder's Fees.** Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which each Purchaser or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless each Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.
- 6.8 Amendments and Waivers.** Any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the Purchaser. Any amendment or waiver effected in accordance with this Subsection 6.8. shall be binding upon the Purchaser and each transferee of the Shares (or the Common Stock issuable upon conversion thereof), each future holder of all such securities, and the Company.
- 6.9 Severability.** The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.
- 6.10 Delays or Omissions.** No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.
- 6.11 Entire Agreement.** This Agreement (including the Exhibits hereto), the Certificate of Designation and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.
- 6.12 Dispute Resolution.** The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the State of Nevada for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the State of Nevada, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Series A Preferred Stock Purchase Agreement as of the date first written above.

**FOCUS UNIVERSAL INC.**

**By:** \_\_\_\_\_  
**Name:** Desheng Wang  
**Title:** CEO  
**Email:**

**PURCHASER:**

**By:** \_\_\_\_\_  
**Name:**  
**Title:**  
**Address:**  
**Email:**

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this “**Agreement**”) is entered into and made effective as of October 21, 2025, by and among **Focus Universal Inc.**, a Nevada corporation (the “**Company**”), each purchaser identified on the signature pages hereto (each, including its successors and assigns, a “**Purchaser**” and collectively, the “**Purchasers**”).

**RECITALS**

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to an exemption from the registration requirements of Section 5 of the Securities Act contained in Section 4(a)(2) thereof and/or Rule 506(b) of Regulation D thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement;

WHEREAS, the Company has authorized a new series of preferred stock of the Company designated as Series B Preferred Stock, par value \$0.001 per share (together with any preferred shares issued in replacement thereof in accordance with the terms thereof, the “**Series B Preferred Stock**”), the terms of which are set forth in the Certificate of Designation of Preferences and Rights of the Series B Preferred Stock (the “**Series B COD**”) (as defined below) in substantially the form attached hereto as Exhibit A;

WHEREAS, the Company desires to sell up to, 8,236 shares (the “**Series B Shares**”) of its Series B Preferred Stock at a purchase price of \$850 per share (the “**Purchase Price**”) to the Purchasers upon the terms and subject to the conditions contained in this Agreement; and

WHEREAS, each Purchaser desires to purchase, and the Company desires to sell, upon the terms and conditions set forth herein, such number of shares of Series B Preferred Stock (the “**Series B Shares**”) as specified below such Purchaser’s name on the signature page of this Agreement.

**AGREEMENT**

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 each Purchaser agree as follows:

ARTICLE 1.

DEFINITIONS

1.1. Definitions. For the purposes of this Agreement, the following words and phrases have the meanings set forth in this Section 1.1:

“**Acquiring Person**” shall have the meaning ascribed to such term in Section 4.5.

“**Action**” shall have the meaning ascribed to such term in Section 3.1(j).

“**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.

“**Agreement**” shall have the meaning ascribed to such term in the preamble.

“**Applicable Amount**” shall have the meaning ascribed to such term in Section 4.2(b).

“**BHCA**” shall have the meaning ascribed to such term in [Section 3.1\(pp\)](#).

“**Board of Directors**” means the board of directors of the Corporation.

“**Charter**” means the Articles of Incorporation of the Corporation.

“**Closing**” shall have the meaning ascribed to such term in [Section 2.2](#).

“**Closing Date**” means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers’ obligations to pay the Subscription Amount and (ii) the Company’s obligations to deliver the Securities to be issued and sold, in each case, have been satisfied or waived, but in no event later than the second Trading Day following the date hereof.

“**Closing Price**” means, for any security on any Trading Day, (i) the official closing price for such security on the Principal Market, as reported by Bloomberg or, if not available, as reported by OTC Markets Group Inc. (or any successor), or (ii) if no such trade price is available for that Trading Day, the fair market value of such security as determined in good faith by the Board of Directors of the Company.

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Common Stock**” means the common stock of the Company, par value \$0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“**Common Stock Equivalents**” means any securities of the Company or its Subsidiaries which would entitle the holder thereof to acquire Common Stock at any time, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“**Company**” shall have the meaning ascribed to such term in the preamble.

“**Consent**” shall have the meaning ascribed to such term in [Section 4.6](#).

“**Conversion Shares**” means the shares of Common Stock issuable upon conversion of the Series B Shares.

“**Disqualification Event**” shall have the meaning ascribed to such term in [Section 3.1\(ll\)](#).

“**DTC**” shall have the meaning ascribed to such term in [Section 3.1\(w\)](#).

“**Effective Date**” shall have the meaning ascribed to such term in [Section 4.1\(c\)](#).

“**Environmental Laws**” shall have the meaning ascribed to such term in [Section 3.1\(m\)](#).

“**Escrow Agreement**” shall mean that certain escrow agreement executed among the Company, the Investor, and the escrow agent.

“**Evaluation Date**” shall have the meaning ascribed to such term in [Section 3.1\(s\)](#).

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

“**Exempt Issuance**” means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company, in an aggregate amount not to exceed 15% of shares of Common Stock outstanding pursuant to any stock or option plan duly adopted for such purpose by the Board of Directors and the stockholders of the Company, shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors and stockholders of the Company established for such purpose for services rendered to the Company, (b) securities issuable upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities issuable pursuant to existing agreements or instruments, exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than (1) in connection with stock dividends, stock splits or combinations or (2) automatic adjustments to such terms pursuant to anti-dilution, default or similar provisions of such securities, including for the avoidance of doubt the adjustments resulting from a Triggering Event (as defined in the Series B COD)) or to extend the term of such securities, (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the directors of the Company, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, or (d) securities issued for bona fide services provided to the Company not for the purpose of raising capital or to an entity whose primary business is investing in securities.

“**FCPA**” means the Foreign Corrupt Practices Act of 1977, as amended.

“**Federal Reserve**” shall have the meaning ascribed to such term in [Section 3.1\(pp\)](#).

“**Floor Price**” shall have the meaning ascribed to such term in Section 1(z) of the Certificate of Designations, Preferences and Rights of the Series B Preferred Stock of Focus Universal Inc.

“**GAAP**” shall have the meaning ascribed to such term in [Section 3.1\(h\)](#).

“**Hazardous Materials**” shall have the meaning ascribed to such term in [Section 3.1\(m\)](#).

“**Indebtedness**” shall have the meaning ascribed to such term in [Section 3.1\(aa\)](#).

“**Information Statement**” means an information statement of the Company on Schedule 14C (including any preliminary or definitive version) to be filed with the Commission in connection with, among other matters, (i) approval of one or more reverse stock splits of the Common Stock within a range of up to one-for-two hundred fifty (1:250), which may be implemented once or multiple times within such range without further stockholder approval, and (ii) approval of the issuance and/or sale of securities in excess of 19.99% of the outstanding Common Stock as required by the rules and regulations of the Principal Market or any other applicable National Securities Exchange.

“**Initial Closing**” shall have the meaning ascribed to such term in [Section 2.2](#).

“**Intellectual Property**” means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all U.S. and foreign patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, brand names, certification marks, trade dress, logos, trade names, domain names, assumed names and corporate names, together with all colorable imitations thereof, and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all trade secrets under applicable state laws and the common law and know-how (including formulas, techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (e) all computer software (including source code, object code, diagrams, data and related documentation), and (f) all copies and tangible embodiments of the foregoing (in whatever form or medium).

“**Issuer Covered Person**” and “**Issuer Covered Persons**” shall have the meanings ascribed to such terms in [Section 3.1\(l\)](#).

“**Laws**” means any U.S. federal, state, local, foreign or other laws, rules regulations, guidelines, orders, injunctions, building and other codes, ordinances, permits, licenses, authorizations, judgements, decrees of federal, state, local, foreign or other authorities, and all orders, writs, decrees and consents of any governmental or political subdivision or agency thereof, or any court of similar tribunal established by any such governmental or political subdivision or agency thereof.

“**Legend Removal Date**” shall have the meaning ascribed to such term in [Section 4.1\(c\)](#).

“**Liens**” means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“**Material Adverse Effect**” shall have the meaning assigned to such term in [Section 3.1\(b\)](#).

“**Material Permits**” shall have the meaning ascribed to such term in [Section 3.1\(n\)](#).

“**Money Laundering Laws**” shall have the meaning ascribed to such term in [Section 3.1\(qq\)](#).

“**National Securities Exchange**” means any United States national securities exchange on which the securities of the Company are listed for trading, including, but not limited to, The Nasdaq Stock Market LLC, the NYSE American LLC, or the New York Stock Exchange LLC.

“**OFAC**” shall have the meaning ascribed to such term in [Section 3.1\(nn\)](#).

“**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.

“**Principal Market**” means primary market on which the Company’s Common Stock is then listed or quoted for trading, including, without limitation, The New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, OTCPink, OTCQB, or OTCQX and any successor markets thereto.

“**Proceeding**” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether pending or to the Company’s knowledge, threatened in writing against or affecting the Company, any Subsidiary or any of their respective properties before any court, arbitrator, governmental or administrative agency or regulatory authority.

“**Public Information Failure**” shall have the meaning ascribed to such term in [Section 4.2\(b\)](#).

“**Purchaser**” and “**Purchasers**” shall have the meanings ascribed thereto in the preamble.

“**Purchaser Party**” shall have the meaning ascribed to such term in [Section 4.8](#).

“**Purchase Price**” shall have the meaning ascribed to such term in the recitals.

“**Registration Rights Agreement**” means the registration rights agreement, in the form of [Exhibit B](#).

“**Registration Statement**” shall have the meaning ascribed to such term in Section 1 of the Registration Rights Agreement.

“**Regulation FD**” means Regulation FD promulgated by the SEC pursuant to the Exchange Act, as such Regulation may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Regulation.

“**Reserved Amount**” shall have the meaning ascribed to such term in [Section 4.9](#).

“**Required Approvals**” shall have the meaning ascribed to such term in [Section 3.1\(e\)](#).

“**Reverse Split Approvals**” shall have the meaning ascribed to such term in [Section 2.4\(b\)](#).

“**Rule 144**” means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC (or similar United States law) having substantially the same purpose and effect as such Rule.

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

“**SEC Reports**” shall have the meaning ascribed to such term in [Section 3.1\(h\)](#).

“**Securities**” shall have the meaning ascribed to such term in [Section 2.1\(b\)](#).

“**Securities Act**” means the Securities Act of 1933, and the rules and regulations promulgated thereunder.

“**Series B COD**” shall have the meaning ascribed to such term in Section 2.1(a).

“**Series B Shares**” shall have the meaning ascribed to such term in the recitals.

“**Series B Preferred Stock**” shall have the meaning ascribed to such term in the recitals.

“**Shareholder Approval**” means such approval as may be required by the applicable rules and regulations of the Nasdaq Stock Market (or any successor entity) from the shareholders of the Company with respect to the transactions contemplated by the Transaction Documents, pursuant to Nasdaq Rule 5625(d).

“**Shareholder Approval Date**” shall have the meaning ascribed to such term in Section 4.22.

“**Short Sales**” means all “short sales” as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

“**Subscription Amount**” means, as to each Purchaser, the aggregate amount to be paid for the Series B Shares purchased hereunder as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading.

“**Subsidiary**” means with respect to any entity at any date, any direct or indirect corporation, limited or general partnership, limited liability company, trust, estate, association, joint venture or other business entity of which (a) more than 50% of (i) the outstanding capital stock having (in the absence of contingencies) ordinary voting power to elect a majority of the board of directors or other managing body of such entity, (ii) in the case of a partnership or limited liability company, the interest in the capital or profits of such partnership or limited liability company or (iii) in the case of a trust, estate, association, joint venture or other entity, the beneficial interest in such trust, estate, association or other entity business is, at the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such entity, or (b) is under the actual control of the Company.

“**Trading Day**” means a day on which the Principal Market is open for trading.

“**Transaction Documents**” means this Agreement, the Series B COD, the Placement Agency Agreement, the Registration Rights Agreement, the Escrow Agreement, all schedules and exhibits thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

“**Transfer Agent**” means V Stock Transfer, LLC, and any successor transfer agent of the Company.

“**VWAP**” means, for any date, the price determined by the first of the following clauses that applies:

(a) if the Common Stock is then listed or quoted on a Principal Market, the daily volume weighted average

price of the Common Stock for such date (or the nearest preceding date) on the Principal Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)) (or a similar organization or agency succeeding to its functions of reporting prices), (b) if no volume weighted average price of the Common Stock can be ascertained from the Principal Market, the average closing price of the Common Stock during the ten (10) Trading Days preceding such date, or (c) in all other cases, the fair market value of a share of Common Stock as determined by the Board of Directors.

## ARTICLE 2.

### PURCHASE AND SALE

#### 2.1. Sale and Issuance of Shares.

(a) The Company shall have adopted and filed with the Nevada Secretary of State on or before the Initial Closing (as defined below) the Certificate of Designations, Preferences and Rights of the Series B Preferred Stock of Focus Universal Inc., in substantially the form of Exhibit A attached to this Agreement (the “**Series B COD**”).

(b) Subject to the terms and conditions of this Agreement, each Purchaser agrees to purchase at the applicable Closing (as defined below), and the Company agrees to sell and issue to each Purchaser at the applicable Closing, the Series B Shares set forth on the signature page hereto, with such aggregate amount of Series B Shares to be sold to all Purchasers hereunder not to exceed 8,236 shares of Series B Preferred Stock. The Series B Shares issue or issuable to the Purchasers pursuant to this Agreement shall be referred to in this Agreement as the “**Securities**.”

Closings. The initial purchase and sale of the Securities shall take place remotely via the exchange of documents and signatures, 12:00 p.m., on October 21, 2025, or at such other time and place as the Company and the Purchasers mutually agree upon, orally or in writing (which time and place are designated as, the “Initial Closing”). In the event there is more than one closing, the term “Closing” shall apply to each such closing unless otherwise specified. There will be up to three Closings: (i) \$3,000,000 for the purchase of the Securities funded at the Initial Closing, subject to the Company having obtained and delivered to the Purchasers shareholder consents providing the Shareholder Approval for one or more reverse stock splits of the Common Stock within a range of up to one-for-two hundred fifty (which may be implemented once or multiple times without further stockholder approval) and approving the issuance and/or sale of securities in excess of 19.99% of the outstanding Common Stock (the “Shareholder Consents”); (ii) \$1,000,000 for the purchase of the Securities funded on the date the Company files, (a) the Registration Statement on Form S-1 required by and pursuant to the Registration Rights Agreement and (b) the Information Statement with the Commission; and (iii) \$3,000,000 for the purchase of the Securities funded within two (2) Business Days after (A) such Registration Statement is declared effective by the SEC and (B) the Information Statement has become effective under Rule 14c-2 (including expiration of any applicable waiting period). At each Closing, the applicable Subscription Amount shall be wired pursuant to the flow of funds.

2.2. Deliveries.

- (a) On or prior to the applicable Closing, the Company shall deliver or cause to be delivered to each Purchaser the following:
- (i) This Agreement, duly executed by the Company;
  - (ii) Evidence, in form and substance acceptable to the Placement Agent, of the filing and acceptance by the Secretary of State of the State of Nevada of the Series B COD;
  - (iii) The Company's wire transfer instructions, on Company letterhead and executed by the Chief Executive Officer or Chief Financial Officer;
  - (iv) A legal opinion from counsel to the Company, dated as of the Closing Date, addressed to the Purchasers and in form and substance reasonably satisfactory to the Purchasers, covering such matters as are customary in transactions of this nature, including the due authorization, execution and delivery of the Transaction Documents and the valid issuance of the Securities;
  - (v) An Officer's Certificate of an executive officer of the Company, dated as of the Closing Date, certifying that (A) the representations and warranties of the Company in the Transaction Documents are true and correct as of such date (or as of an earlier date if so specified), and (B) the Company has performed all obligations required to be performed as of the Closing Date;
  - (vi) A Certificate of the Secretary (or Assistant Secretary) of the Company, dated as of the Closing Date, certifying and attaching (A) a true, complete and correct copy of the Company's Articles of Incorporation, as amended and in effect on the Closing Date, (B) a true, complete and correct copy of the Company's Bylaws, as amended and in effect on the Closing Date, (C) the resolutions of the Board of Directors authorizing the execution, delivery, and performance of the Transaction Documents and the issuance of the Series B Shares, and (D) the incumbency and signatures of the officers of the Company executing the Transaction Documents;
  - (vii) A Certificate of the Chief Financial Officer of the Company, dated as of the Closing Date, certifying as to the Company's cash and cash equivalents, indebtedness, and any material off-balance sheet or undisclosed liabilities as of the Closing Date;
  - (viii) A Certificate of Good Standing of the Company issued by the Secretary of State of the State of Nevada, dated as of a recent date prior to the Closing Date;
  - (ix) The Series B Preferred Stock, issued in book-entry form, duly credited to each Purchaser's account at the Company's transfer agent, free and clear of all liens and encumbrances, other than applicable securities law restrictions;
  - (x) The Registration Rights Agreement, duly executed by the Company;
  - (xi) A reservation letter from the Company and its transfer agent, confirming that a sufficient number of shares of Common Stock have been reserved for issuance upon conversion of the Series B Shares;
  - (xii) Evidence of the filing and acceptance by the Nevada Secretary of State of the Series B COD;

- (xiii) The Escrow Agreement, duly executed by the Company; and
  - (xiv) Lock-up Agreements each with a duration of sixty (60) days entered into by the Company's (a) officers; (b) directors; and (c) owners of five percent (5%) or more of the Company's issued and outstanding shares of Common Stock substantially in the form attached hereto as Exhibit C.
- (b) On or prior to the applicable Closing, each Purchaser shall deliver or cause to be delivered the following:
- (i) To the Company, this Agreement, duly executed by such Purchaser;
  - (ii) To the Company, the Registration Rights Agreement, duly executed by such Purchaser;
  - (iii) To the Company, such Purchaser's Subscription Amount, by wire transfer of immediately available funds in accordance with the wire instructions provided by the Company; and
  - (iv) To the Company and/or the Placement Agent, such other information, certificates, or documents reasonably requested to consummate the transactions contemplated by this Agreement.

2.3. Closing Conditions.

- (a) The obligations of the Company hereunder in connection with each applicable Closing are subject to the following conditions being met:
- (i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) on the applicable Closing Date of the representations and warranties of each Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);
  - (ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date shall have been performed in all material respects; and
  - (iii) the delivery by each Purchaser of the items set forth in Section 2.3(b) of this Agreement.
- (b) The respective obligations of the Purchasers hereunder in connection with each Closing are subject to the following conditions being met:
- (i) the accuracy in all respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);
  - (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

- (iii) the delivery by the Company of the items set forth in Section 2.3(a) of this Agreement;
- (iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof;
- (v) from the date hereof to the Closing Date trading in the Common Stock shall not have been suspended by the SEC or the Company's Principal Market, and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Principal Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

#### 2.4. Maintenance Above Floor Price; Reverse Stock Split

(a) The Company agrees that, at all times while any Series B Shares or Conversion Shares are held by any Purchaser, it shall maintain procedures to monitor the daily Closing Price of the Common Stock. In the event that the lowest Closing Price of the Common Stock during any five (5) consecutive Trading Day period is less than the Floor Price (a "Reverse Split Trigger"), the Company shall be required to effect a reverse stock split of its Common Stock (a "Reverse Split"), subject to the provisions of this Section 2.4. For the avoidance of doubt, the Floor Price shall not be adjusted as a result of any Reverse Split.

(b) If, at the time of a Reverse Split Trigger, the Common Stock is not listed on a national securities exchange, the Company shall effect a Reverse Split at a ratio of up to one-to-two hundred fifty (1:250), as determined by the Board of Directors in its sole discretion, which may be implemented once or multiple times within such range without further stockholder approval, within five (5) calendar days following the Reverse Split Trigger. The Company represents and warrants that, as a condition to the Initial Closing, it will have obtained and delivered to the Purchasers the Shareholder Consents providing for the foregoing (the "**Reverse Split Approvals**"). The Company shall not delay or defer implementation of the Reverse Split beyond such five (5) calendar day period. If the Reverse Split is not implemented after five (5) calendar days (a "**Reverse Split Failure Event**"), in addition to any other rights the Purchasers may have hereunder or under applicable law, on each such Reverse Split Failure Event and on each monthly anniversary of each such Reverse Split Failure Event (if the applicable Reverse Split Failure Event has not been cured by such date) until the applicable Reverse Split Failure Event is cured, the Company shall pay to each purchaser an amount in cash, as partial liquidated damages and not as a penalty, equal to the product of 20.0% multiplied by the aggregate amount paid by such Purchaser pursuant to this Purchase Agreement. The Parties agree that the maximum aggregate liquidated damages payable to a Purchaser under this Section 2.4(b) shall be 35.0% of the aggregate amount paid by such Purchaser pursuant to this Agreement. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven (7) days after the date payable, the Company will pay interest thereon at a rate of 12.0% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Purchaser, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of a breach of this provision.

(c) If, at the time of a Reverse Split Trigger, the Common Stock is listed or approved for listing on a national securities exchange, the Company shall, within ten (10) calendar days following the Reverse Split Trigger: (i) publicly announce its intention to effect a Reverse Split, and (ii) file a preliminary proxy statement with the SEC, if proceeding by written consent, an information statement with the SEC and take all other actions in accordance with the Securities Exchange Act of 1934, as amended, and the listing rules of such exchange, to call and hold a special meeting of stockholders, or solicit written consents, to approve a Reverse Split within a range of not less than one-for-five (1:5) and not more than one-for-two hundred fifty (1:250), which may be implemented once or multiple times within such range without further stockholder approval, with the final ratio to be determined by the Board of Directors in its sole discretion. The Company shall have previously delivered the Reverse Split Approvals in accordance with the terms hereof. Should the company fail to comply with this Section 2.4(c) within ten (10) calendar days following the Reverse Split Trigger (also a “**Reverse Split Failure Event**”), in addition to any other rights the Purchasers may have hereunder or under applicable law, on each such Reverse Split Failure Event and on each monthly anniversary of each such Reverse Split Failure Event (if the applicable Reverse Split Failure Event has not been cured by such date) until the applicable Reverse Split Failure Event is cured, the Company shall pay to each purchaser an amount in cash, as partial liquidated damages and not as a penalty, equal to the product of 20.0% multiplied by the aggregate amount paid by such Purchaser pursuant to this Purchase Agreement. The Parties agree that the maximum aggregate liquidated damages payable to a Purchaser under this Section 2.4(c) shall be 35.0% of the aggregate amount paid by such Purchaser pursuant to this Agreement. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven (7) days after the date payable, the Company will pay interest thereon at a rate of 12.0% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Purchaser, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of a breach of this provision.

(d) The Company shall promptly notify the Purchaser in writing within one (1) Trading Day after the occurrence of a Reverse Split Trigger and again upon the effectiveness of the Reverse Split.

(e) If a Reverse Split Trigger occurs again at any time after the Company has already effected a Reverse Split, while any Series B Shares or Conversion Shares are still held by any Purchaser, the Company shall be required to follow the procedures set forth in this Section 2.4 again, subject to any necessary adjustments to reflect the Company’s listing status or other applicable circumstances at that time.

### ARTICLE 3.

#### REPRESENTATIONS AND WARRANTIES

3.1. Representations and Warranties of the Company. The Company hereby represents and warrants to each Purchaser that, except as set forth on the Disclosure Schedule to this Agreement, which exceptions shall be deemed to be part of the representations and warranties made hereunder, the following representations are true and complete as of the date of the Initial Closing, except as otherwise indicated. The Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections contained in this Section 3.1, and the disclosures in any section of the Disclosure Schedule shall qualify other sections in this Section 3.1 only to the extent it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections.

(a) Subsidiaries. All of the direct and indirect Subsidiaries of the Company are set forth on Schedule 3.1(a). Except as set forth on Schedule 3.1(a), the Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective Charter, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "**Material Adverse Effect**") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's shareholders in connection herewith or therewith other than in connection with the Required Approvals. Subject to obtaining the Required Approvals, this Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. Except as set forth in Schedule 3.1(d), the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) subject to the Required Approvals, conflict with or violate any provision of the Company's or any Subsidiary's Charter, bylaws or other organizational or charter documents, or (ii) constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Except as set forth on Schedule 3.1(e), the Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.4 of this Agreement, (ii) application(s) to each applicable Principal Market for the listing of the Conversion Shares for trading thereon in the time and manner required thereby, (iii) such filings as are required to be made under applicable state or federal securities laws, and (iv) the Shareholder Approval (collectively, the "**Required Approvals**").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The Conversion Shares, when issued upon conversion of the Series B Shares in accordance with the terms of the Series B COD will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The Company shall reserve from its duly authorized capital stock a number of shares of Common Stock issuable pursuant to the conversion of the Series B Shares equal to the amount set forth in Section 4.9.

(g) Capitalization. The capitalization of the Company as of the date hereof is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. The Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than as set forth on Schedule 3.1(g), other than pursuant to the exercise of employee stock awards under the Company's equity incentive plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans, the issuance of shares of Common Stock or Common Stock Equivalents pursuant to agreements outstanding as of the date of the most recently filed periodic report under the Exchange Act and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 3.1(g), there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Company or any Subsidiary to issue shares of Common Stock or other securities to any Person (other than the Purchasers) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. There are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except for required approvals, no further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no shareholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's shareholders.

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "**SEC Reports**"). As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("**GAAP**"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal year-end audit adjustments.

(i) Material Changes: Undisclosed Events, Liabilities or Developments. Other than as set forth on Schedule 3.1(i) since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed prior to the date hereof, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the SEC, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company equity incentive plans and the issue of 500,000 shares of convertible Series A preferred stock to Dr. Edward Lee (CEO of Focus Universal, Inc) pursuant to Share Purchase Agreement made as on October 15, 2025. The Company does not have pending before the SEC any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one Trading Day prior to the date that this representation is made.

(j) Litigation. Except as set forth in Schedule 3.1(j), there is no action, suit, notice of violation, proceeding or investigation, inquiry or other similar proceeding of any federal or state governmental authority pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the issuance of the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. The Company has no reason to believe that an Action will be filed against it in the future. Except as set forth in Schedule 3.1(j), neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or any current or former director or officer of the Company. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act, and the Company has no reason to believe it will do so in the future.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no effort is underway to unionize or organize the employees of the Company or any Subsidiary. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all applicable U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no workmen's compensation liability matter, employment-related charge, complaint, grievance, investigation, inquiry or obligation of any kind pending, or to the Company's knowledge, threatened, relating to an alleged violation or breach by the Company or its Subsidiaries of any law, regulation or contract that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has no reason to believe that any individual may commence an Action or file a claim with any governmental authority against the Company alleging sexual harassment or any type of discrimination or violation of any Laws.

(l) Compliance. Except as set forth on Schedule 3.1(l), neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws and regulations relating to taxes, healthcare laws, anti-kickback laws, securities, environmental protection, occupational health and safety, product quality and safety, transportation, and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("**Environmental Laws**"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval except in each case of clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("**Material Permits**"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries, and do not materially affect the value of such property, and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance, except where the failure to so comply would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(p) Intellectual Property.

(i) Except as set forth in Schedule 3.1(p), the Company owns or possesses or has the right to use pursuant to a valid and enforceable written license, sublicense, agreement, or permission all Intellectual Property necessary for the operation of the business of the Company as presently conducted, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(ii) The Company has no knowledge that the Intellectual Property interferes with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties, and the Company has no knowledge that facts exist which indicate a likelihood of the foregoing. The Company has not received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or conflict (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the knowledge of the Company, all rights to its Intellectual Property are enforceable and no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with, any Intellectual Property rights of the Company, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(iii) None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights have expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement, except where such expiration, termination or abandonment would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions With Affiliates and Employees. Except as disclosed in Schedule 3.1(r), none of the officers, directors or Affiliates of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director, Affiliate or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of \$120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock award agreements under any equity incentive plan of the Company.

(s) Sarbanes-Oxley; Internal Accounting Controls. Except as disclosed in Schedule 3.1(s), the Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof and as of the applicable Closing. The Company and the Subsidiaries maintain a system of internal accounting controls as set forth in the SEC Reports. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "**Evaluation Date**"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(t) Certain Fees. Other than as set forth on Schedule 3.1(t), no brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section 3.1(t), that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(v) Registration Rights. Other than as required pursuant to this Agreement and as set forth on Schedule 3.1(v), no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary. The Company shall not file any other resale registration statement prior to filing the registration statement required hereunder.

(w) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from any Principal Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Principal Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Common Stock is currently eligible for electronic transfer through the Depository Trust Company ("DTC") or another established clearing corporation and the Company is current in payment of the fees to the DTC (or such other established clearing corporation) in connection with such electronic transfer. The Company is not subject to any "chill" issued by the DTC.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's Charter (or similar charter documents) or the Laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Securities and the Purchasers' ownership of the Securities, the Series B Shares and the Conversion Shares.

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information which is not otherwise disclosed in the SEC Reports. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or 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. The press releases disseminated by the Company during the 12 months preceding the date of this Agreement do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of any applicable shareholder approval provisions of any Principal Market on which any of the securities of the Company are listed or designated.

(aa) Indebtedness, Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(aa) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "**Indebtedness**" means (x) any liabilities for borrowed money or amounts owed in excess of \$100,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of \$200,000 due under leases required to be capitalized in accordance with GAAP. Except as set forth on Schedule 3.1(aa), neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(bb) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and

(iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of Law, or (iv) violated any provision of FCPA.

(dd) Accountants. The Company's accounting firm is set forth in the SEC Reports. To the knowledge and belief of the Company, such accounting firm is a registered public accounting firm as required by the Exchange Act and the rules of the Public Company Accounting Oversight Board ("PCAOB"), and is in good standing with the PCAOB. Such firm has expressed its opinion with respect to the financial statements included in the Company's most recently filed Annual Report on Form 10-K and, to the knowledge of the Company, is expected to express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending December 31, 2025. The Company has not had any disagreements (as that term is defined in Item 304 of Regulation S-K) with its independent registered public accounting firm during the periods covered by the financial statements included in the SEC Reports or any subsequent interim period. To the Company's knowledge, such firm has not resigned or been dismissed as the Company's independent auditors as a result of or in connection with any disagreement relating to accounting principles, financial statement disclosures, or auditing scope or procedures.

(ee) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(ff) Acknowledgement Regarding Purchaser's Trading Activity. Notwithstanding anything in this Agreement or elsewhere to the contrary (except for Sections 3.2(f) and 4.12 hereof), it is understood and acknowledged by the Company that: (i) no Purchaser has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term; (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, presently may have a "short" position in the Common Stock, and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Securities are outstanding, and (z) such hedging activities (if any) could reduce the value of the existing shareholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(gg) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of the Common Stock to facilitate the sale of the Securities, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Placement Agent in connection with the placement of the Securities.

(hh) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(ii) Cybersecurity. Except as would not reasonably be expected to result in a Material Adverse Effect, (i) there has been no material security breach of or relating to any of the Company's or its Subsidiaries' information technology and computer systems, networks, hardware, software, data (including the data of its respective customers, employees, suppliers, vendors and any third party data maintained by or on behalf of it), equipment or technology (collectively, "IT Systems and Data"), (ii) the Company and the Subsidiaries have not been notified of, and has no knowledge of any event or condition that would reasonably be expected to result in, any material security breach to its IT Systems and Data, (iii) the Company and its Subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, individually or in the aggregate, have a Material Adverse Effect, (iv) the Company and its Subsidiaries have implemented and maintained commercially reasonable safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and Data, and (v) the Company and its Subsidiaries have implemented commercially reasonable backup and disaster recovery technology.

(jj) Private Placement. Assuming the accuracy of each 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 by the Company to the Purchasers as contemplated hereby.

(kk) No General Solicitation. Neither the Company nor any person acting on behalf of advertising. The Company has offered the Securities for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(ll) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506(b) under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale, nor any Person, including a placement agent, who will receive a commission or fees for soliciting purchasers (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Purchasers a copy of any disclosures provided thereunder.

(mm) Notice of Disqualification Events. The Company will notify the Purchasers in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, reasonably be expected to become a Disqualification Event relating to any Issuer Covered Person, in each case of which it is aware.

(nn) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**").

(oo) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(pp) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the “**BHCA**”) and to regulation by the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, 5% or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(qq) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the “**Money Laundering Laws**”), and no Action by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

(rr) Shell Company Status. The Company is not, and has not been for a period of at least one year from the date hereof, an issuer identified in Rule 144(i)(1) of the Securities Act. The Company has filed current “Form 10 information” (as defined in Rule 144(i)(3)) with the SEC reflecting its status as an entity that was no longer an issuer described in Rule 144(i)(1)(i) more than one year ago from the date hereof. The Company shall provide a legal opinion of counsel to the Company in a form reasonably acceptable to the Purchaser with respect to this representation.

3.2. Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants to the Company as follows which representations and warranties shall be true and correct as of the date hereof and as of the Closing Date:

(a) Organization; Authority. Such Purchaser is either an individual or an entity 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 transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Understandings or Arrangements. Such Purchaser is acquiring the Securities as principal for its own account and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser’s right to sell the Securities in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business. Such 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 such Securities as principal for its own account and not with a view to or for distributing or reselling such 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 persons 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 such Purchaser’s right to sell such Securities in compliance with applicable federal and state securities laws).

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, an “accredited investor” within the meaning of Rule 501 under Regulation D promulgated under the Securities Act or a “qualified institutional buyer” as defined in Rule 144A(a) promulgated under the Securities Act. No Purchaser is subject to any Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3).

(d) Experience of Such Purchaser. Such 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. Such 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) Access to Information. Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and has been afforded, subject to Regulation FD, (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Such Purchaser acknowledges and agrees that neither the Company, the Placement Agent, nor their Affiliates or anyone else has provided such Purchaser with any information or advice with respect to the Securities nor is such information or advice necessary or desired. In connection with the issuance of the Securities to such Purchaser, neither the Placement Agent nor any of their Affiliates has acted as a financial advisor or fiduciary to such Purchaser.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser’s assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser’s assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement or to such Purchaser’s representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect Short Sales or similar transactions in the future.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect such 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 4.

OTHER AGREEMENTS OF THE PARTIES

4.1. Removal of Legends.

(a) The Series B Shares and the Conversion Shares may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of the Series B Shares or the Conversion Shares other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), 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 at the cost of 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 Series B Shares or Conversion Shares under the Securities Act.

(b) Each Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Series B Shares or Conversion Shares in substantially the following form:

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE HAVE 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. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF 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.

The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Series B Shares or the Conversion Shares to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Series B Shares or the Conversion Shares to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Series B Shares, or the Conversion Shares may reasonably request in connection with a pledge or transfer of the Series B Shares or the Conversion Shares.

(c) Certificates evidencing the Series B Shares and the Conversion Shares (or the Transfer Agent's records if held in book entry form) shall not contain any legend (including the legend set forth in [Section 4.1\(b\)](#), hereof): (i) while a registration statement covering the resale of such securities is effective under the Securities Act (the "**Effective Date**"), (ii) following any sale of such Series B Shares or Conversion Shares pursuant to Rule 144, (iii) if such Series B Shares or Conversion Shares 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 such Series B Shares or Conversion Shares and without volume or manner-of-sale restrictions or (iv) if such legend is not required under applicable requirements of the Securities Act (including Sections 4(a)(1) and 4(a)(7) judicial interpretations and pronouncements issued by the staff of the SEC). The Company shall, at its expense, cause its counsel to issue a legal opinion to the Transfer Agent promptly after the Effective Date if required by the Transfer Agent to effect the removal of the legend hereunder. If any Series B Shares are converted at a time when there is an effective registration statement to cover the resale of the Conversion Shares, or if such Conversion Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144, or if the Conversion Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Conversion Shares and without volume or manner-of-sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including Sections 4(a)(1) and 4(a)(7), judicial interpretations and pronouncements issued by the staff of the SEC) then such Conversion Shares shall be issued or reissued free of all legends. The Company agrees that following the effective date of any registration statement or at such time as such legend is no longer required under this Section 4.1(c), it will, no later than two Trading Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing restricted Series B Shares or Conversion Shares, as applicable, issued with a restrictive legend (such second Trading Day, the "**Legend Removal Date**"), deliver or cause to be delivered to such Purchaser a certificate representing such Series B Shares or Conversion Shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this [Section 4.1](#). Certificates for Series B Shares or Conversion Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company system as directed by such Purchaser. The Company shall be responsible for any delays caused by its Transfer Agent.

(d) In addition to such Purchaser's other available remedies, subject to [Section 5.18\(a\)](#) but not [Section 5.18\(b\)](#), (i) the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, for each \$1,000 of the Stated Value of the Series B Shares (as defined in the Series B COD) being converted, \$10 per Trading Day for each Trading Day after the Legend Removal Date (increasing to \$20 per Trading Day after the fifth Trading Day) until such certificate is delivered without a legend. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Company's failure to deliver certificates representing any Securities as required by the Transaction Documents, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, and (ii) if after the Legend Removal Date such Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that such Purchaser anticipated receiving from the Company without any restrictive legend, then, the Company shall pay to such Purchaser, in cash, an amount equal to the excess of such Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) over the product of (A) such number of Conversion Shares that the Company was required to deliver to such Purchaser by the Legend Removal Date multiplied by (B) the highest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Purchaser to the Company of the Applicable Conversion Shares and ending on the date of such delivery and payment under this [Section 4.1\(d\)](#).

(e) In the event a Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares, (i) it shall pay all fees and expenses associated with or required by the legend removal and/or transfer including but not limited to legal fees, Transfer Agent fees and overnight delivery charges and taxes, if any, imposed by any applicable government upon the issuance of Common Stock; and (ii) the Company may not refuse to deliver unlegended shares based on any claim that such Purchaser or anyone associated or affiliated with such Purchaser has not complied with Purchaser's obligations under the Transaction Documents, or for any other reason, unless, an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such unlegended shares shall have been sought and obtained by the Company and the Company has posted a surety bond for the benefit of such Purchaser in the amount of the greater of (i) 150% of the amount of the aggregate purchase price of the Conversion Shares (based on the amount of the Stated Value of the Series B Shares (as defined in the Series B COD) which was converted), or (ii) the highest VWAP during the five (5) Trading Days before the issue date of the injunction multiplied by the number of unlegended shares to be subject to the injunction, which bond shall remain in effect until the completion of the litigation of the dispute and the proceeds of which shall be payable to such Purchaser to the extent Purchaser obtains judgment in Purchaser's favor.

(f) The Company shall (A) pay the reasonable legal fees of the Purchaser's choice (provided such counsel is reasonably acceptable to the Company) (in an amount not to exceed \$500 per legal opinion, and not more often than once per week per Purchaser) in connection with the conversion of the Series B Shares, and (B) cause its attorneys to promptly provide any opinion or reliance opinion to the Transfer Agent.

#### 4.2. Furnishing of Information: Public Information.

(a) Until the earliest of the time that no Purchaser owns Securities, the Company covenants to use its reasonable best efforts to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the Closing Date and ending at such time that all of the Securities may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) has ever been an issuer described in Rule 144(i)(1)(i) or becomes an issuer in the future, and the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) (a "**Public Information Failure**"), then, in addition to such Purchaser's other available remedies, the Company shall pay to such Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the applicable Securities, an amount in cash equal to one percent (1.0%) of the Applicable Amount on the day of a Public Information Failure and on every thirtieth (30th) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchaser to transfer the Securities pursuant to Rule 144.

For purposes of this Section, the term "**Applicable Amount**" means the aggregate Stated Value of the shares of Series B Preferred Stock held by such Purchaser on the day of a Public Information Failure and on every thirtieth (30th) day thereafter until the earlier of the cure of such Public Information Failure or such time that public information is no longer required under Rule 144 for transfer.

Public Information Failure payments shall be paid on the earlier of (i) the last day of the calendar month during which such payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to such payments is cured. In the event the Company fails to make Public Information Failure payments in a timely manner, such payments shall bear interest at the rate of 1.5% per month (pro rated for partial months) until paid in full.

Nothing herein shall limit the Purchaser's right to pursue actual damages for the Public Information Failure, and the Purchaser shall have the right to pursue all remedies available to it at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief.

4.3. Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2(a)(1) of the Securities Act) that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Principal Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4. Securities Laws Disclosure; Publicity. The Company shall file a Current Report on Form 8-K disclosing the material terms of this Agreement, including the Transaction Documents as exhibits thereto, prior to 9:00 AM (New York Time) on the first Trading Day after the Closing Date. From and after the filing of the Form 8-K as provided in the preceding sentence, the Company represents to each Purchaser that it shall have publicly disclosed all material, non-public information delivered to each Purchaser by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such Form 8-K, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and any of the Purchasers or any of their Affiliates on the other hand, shall terminate. The Company and each Purchaser shall consult with each other in issuing any press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement (other than the Form 8-K approved by Purchaser) and the registration statement on Form S-1 registering the resale of the Securities) without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the SEC or any regulatory agency or Principal Market, without the prior written consent of such Purchaser, except (a) as required by the staff of the SEC in connection with the filing of final Transaction Documents with the SEC and (b) to the extent such disclosure is required by law or Principal Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b).

4.5. Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and any Purchaser.

4.6. Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.4, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information (including providing any Pre-Notice or Subsequent Financing Notice under the Series B COD (as those terms are defined in the Series B COD), unless prior thereto such Purchaser shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. Prior to providing a Purchaser with any material non-public information (including any Pre-Notice or Subsequent Financing provided for under the Series B COD (as those terms are defined in the Series B COD), the Company shall provide the Purchaser with a consent substantially in the form attached as Exhibit D (“Consent”) which shall not include any material non-public information. The Company shall not provide the Purchaser with the material non-public information if the Purchaser does not execute and return the Consent to the Company. To the extent that any notice provided pursuant to any Transaction Document or any other communications made by the Company, or information provided, to any Purchaser constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, and such information was provided without such Purchaser’s prior written consent, the Company shall simultaneously file material non-public information with the SEC pursuant to a Current Report on Form 8-K. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company delivers any material, non-public information to a Purchaser without such Purchaser’s consent, the Company hereby covenants and agrees that such Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. In addition to any other remedies provided by this Agreement or other Transaction Documents, if the Company provides any material, non-public information to the Purchasers without their prior written consent, and it fails to immediately (no later than the next Trading Day) file a Form 8-K disclosing this material, non-public information, it shall, subject to Section 5.18, pay each Purchasers as partial liquidated damages and not as a penalty a sum equal to \$500 per day for each \$100,000 of each Purchaser’s Subscription Amount beginning with the day the information is disclosed to the Purchaser and ending and including the day the Form 8-K disclosing this information is filed; provided that no such liquidated damages shall be owed to any Purchaser not then holding Securities.

4.7. Use of Proceeds. The Company shall use the net proceeds from the sale of Securities hereunder at the Initial Closing for working capital purposes, and shall not use such proceeds: (a) for the satisfaction of any other portion of the Company’s debt, (b) for the redemption of any Common Stock or Common Stock Equivalents, or (c) for the settlement of any outstanding litigation, (d) in violation of FCPA or OFAC regulations, (e) to lend money, give credit, or make advances to any officers, directors, employees or affiliates of the Company or (f) for the purchase of real estate.

4.8. Indemnification of the Purchasers. Subject to the provisions of this Section 4.8., the company shall indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a “**Purchaser Party**”) harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys’ fees and costs of investigation (including local counsel, if retained) that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any shareholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party’s representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such shareholder or any conduct by such Purchaser Party which constitutes willful misconduct or gross negligence). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel to the Purchaser Party, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel for such Purchaser (in addition to local counsel, if retained). The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company’s prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party’s breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The Purchaser Parties shall have the right to settle any action against any of them by the payment of money provided that they cannot agree to any equitable relief and the Company, its officers, directors and Affiliates receive unconditional releases in customary form. The indemnification required by this Section 4.8 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.9. Reservation of Common Stock. Immediately upon the Closing, the Company shall reserve from its duly authorized and unissued Common Stock a number of shares equal to five (5) times the number of shares of Common Stock then issuable upon conversion of all the Series B issued pursuant to the Series B COD at the Floor Price (as that term defined in the Series B COD) subject to adjustment adjusted pursuant to the terms of the Series B COD (the “**Reserved Amount**”). The Company shall execute, and shall cause its transfer agent to execute and deliver, a reservation letter in the form attached hereto as **Exhibit C**, and shall take all necessary action to ensure the Reserved Amount is maintained at all times until the full conversion or redemption of the Series B.

4.10. Listing of Common Stock. The Company hereby agrees to use its reasonable best efforts to maintain the listing or quotation of the Common Stock on the Principal Market on which it is currently listed or quoted. The Company will then take all action necessary to continue the listing and trading of its Common Stock on a Principal Market and will comply in all respects with the Company’s reporting, filing and other obligations under the bylaws or rules of the Principal Market. The Company agrees to maintain the eligibility of the Common Stock for electronic transfer through the DTC or another established clearing corporation, including, without limitation, by timely payment of fees to the DTC or such other established clearing corporation in connection with such electronic transfer.

4.11. Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered to all of the parties to the Transaction Documents. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

4.12. Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the initial press release as described in Section 4.4, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4 and (iii) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Company to the Company or its Subsidiaries after the issuance of the initial press release as described in Section 4.4. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.13. Conversion Procedures. The form of Notice of Conversion for Series B Shares attached hereto as Exhibit E sets forth the totality of the procedures required of the Purchasers in order to convert the Series B Shares. No additional legal opinion, other information or instructions shall be required of the Purchasers to convert their Series B Shares. Without limiting the preceding sentences, no ink-original Conversion Notice shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Conversion Notice form be required in order to convert the Series B Shares. The Company shall honor conversions of the Series B Shares and shall deliver Conversion Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.14. Most Favored Nations. From the date hereof until there are no longer any Series B Shares outstanding, upon any issuance by the Company of its securities for cash consideration, (a "Subsequent Financing"), Purchaser may elect, in its sole discretion, to exchange (in lieu of conversion), if applicable, all or some of the Series B Shares then held for any securities or units issued in a Subsequent Financing on a \$1.00 for \$1.00 basis. The Company shall provide the Purchaser with notice of any such Subsequent Financing in the manner set forth below. Additionally, if in such Subsequent Financing there are any contractual provisions or side letters that provide terms more favorable to the investors than the terms provided for hereunder, then the Company shall specifically notify the Purchaser of such additional or more favorable terms and such terms, at Purchaser's option, shall become a part of the transaction documents with the Purchaser. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing stock sale price, price per share, and warrant coverage. For purposes of illustration, if a Subsequent Financing were to occur whereby the Company sells and issues a convertible note with a conversion price that includes a discount to the market price of its Common Shares, the Purchaser will be entitled to receive the same convertible note on the exact same terms on a dollar for dollar basis via the exchange of the Series B Shares the Purchaser holds on the date of the sale and issuance of the convertible note. This Section 4.14 Most Favored Nations, shall not be applicable to offers, issuances, sales or other transactions related to Exempted Securities.

4.15. Maintenance of Property. The Company shall keep all of its property, which is necessary or useful to the conduct of its business, in good working order and condition, ordinary wear and tear excepted.

4.16. Preservation of Corporate Existence. The Company shall preserve and maintain its corporate existence, rights, privileges and franchises in the jurisdiction of its incorporation, and qualify and remain qualified, as a foreign corporation in each jurisdiction in which such qualification is necessary in view of its business or operations and where the failure to qualify or remain qualified might reasonably have a Material Adverse Effect upon the financial condition, business or operations of the Company taken as a whole.

4.17. D&O Insurance. The Company shall maintain director and officer insurance on behalf of the Company and its officers and directors for 18 months after the Closing with respect to any losses, claims, damages, liabilities, costs and expense in connection with any actual or threatened claim or proceeding that is based on, or arises out of their status as a director or officer of the Company. The insurance policy shall cover SEC investigations for the Company and its officers and directors and provide for two years of tail coverage.

4.18. Subsequent Equity Sales.

(a) During the period beginning on the date of the Initial Closing and ending on the date that is ninety (90) days after the Effective Date (as defined in Section 4.1(c)), the Company shall not, without the prior written consent of Purchasers holding at least 50.1% of the then-outstanding Series B Shares, (i) raise capital or conduct any financing transaction involving the sale or issuance of its securities or any Indebtedness that is convertible into its securities, (ii) enter into, establish, commence, sell into, or utilize any “at-the-market” offering program under Rule 415 (an “ATM”), or (iii) enter into, establish, draw upon, or utilize any equity line of credit, committed equity facility, SEPA or similar continuous offering facility (an “ELOC”). The foregoing shall not apply to an Exempt Issuance or to the Closings contemplated by Section 2.1(b). For the avoidance of doubt, the Company shall not utilize or consummate any transactions under its existing ELOC or ATM without the prior written consent of Purchasers holding at least 50.1% of the then-outstanding Series B Shares.

(b) No Variable-Rate Transactions. From the date hereof until there are no Series B Shares outstanding, the Company shall not, without the prior written consent of Purchasers holding at least 50.1% of the then-outstanding Series B Shares, effect, enter into, or be a party to any “Variable Rate Transaction.” “Variable Rate Transaction” means a transaction in which the Company (or any Subsidiary) issues or sells (i) any debt, equity or equity-linked securities that are convertible, exercisable or exchangeable into, or that entitle any Person to receive, shares of Common Stock at a price that varies, or may be reset, based on the market price of the Common Stock, including without limitation any floating-rate convertible, floorless or resettable securities, or (ii) any ATM or ELOC. For the avoidance of doubt, an ATM and an ELOC are Variable Rate Transactions.

(c) Notwithstanding the foregoing, this Section 4.19 shall not apply in respect of an Exempt Issuance. The Company shall provide each Purchaser with notice of any such issuance or sale in the manner for disclosure of subsequent financings set forth in the Series B COD.

4.19. No Registration of Securities. Except as disclosed on Schedule 4.21, while the Series B Shares are outstanding, the Company will not file any registration statements to register sales of Common Stock, including shares underlying any derivative securities, unless a registration statement is then in effect for the resale by the Purchasers of the Conversion Shares.

4.20. Shareholder Approval. Except as provided in Section 5 of the Series B COD permitting the conversion of the Series B Shares, the Purchaser shall not convert any Series B Shares into Conversion Shares to the extent that it would result in the Purchaser having a beneficial ownership of greater than 19.99% of the issued and outstanding Common Stock of the Company until the Company has obtained the Shareholder Approval (the date of such approval, the “**Shareholder Approval Date**”) to the issuance of the Conversion Shares resulting in the Holder exceeding beneficial ownership of 19.99% of the issued and outstanding shares of Common Stock of the Company due to the aggregate number of shares of Common Stock issued after giving effect to the issuance of said Conversion Shares issuable upon such conversion of the Series B Shares offered by the Company pursuant to the Transaction Documents exceeding 19.99% of all shares of Common Stock issued and outstanding on the Closing Date, subject to pro rata adjustment in connection with any stock splits, stock dividends, or similar changes to the Company’s capitalization after the Closing Date. The Company shall file a **written consent and Schedule 14C, and use reasonable best efforts to prepare, file and mail the Information Statement promptly following the date hereof and to cause the Shareholder Approval to become effective as soon as permitted by applicable law.** The Company shall provide written notice to the Purchaser of the anticipated Shareholder Approval Date at least three (3) Trading Days prior to the date of the **mailing of the definitive Information Statement, as applicable. If, despite the Company’s reasonable best efforts, Shareholder Approval is not obtained by the date that is thirty (30) days after the Initial Closing, the Company shall continue to use reasonable best efforts to obtain Shareholder Approval as promptly as practicable, including holding additional shareholder meetings or re-soliciting written consents every thirty (30) days thereafter until such Shareholder Approval is obtained.**

4.21. Form D; Blue Sky Filings. The Company shall take such actions as it reasonably determines are necessary to qualify the Securities for sale to the Purchasers, or to secure an exemption from such qualification, under applicable state securities or “Blue Sky” laws of the jurisdictions in which offers and sales of the Securities are made, and shall furnish evidence of such actions promptly upon request of any Purchaser. The Company shall file, or cause to be filed, a Form D with the SEC with respect to the Securities as required under Regulation D promulgated under the Securities Act, and shall provide a copy of such filing to the Purchasers upon request.

4.22. Registration Covenants. Within fifteen (15) calendar days after the Initial Closing, the Company shall prepare and file with the Commission a registration statement on Form S-1 covering the resale by the Purchasers of the Conversion Shares (and any shares issuable upon conversion of dividends). The Company shall use its reasonable best efforts to cause such Registration Statement to be declared effective by the Commission as soon as practicable and, in any event, within ninety (90) calendar days following the Initial Closing. For the avoidance of doubt, time is of the essence with respect to the foregoing obligations.

#### ARTICLE 5.

#### MISCELLANEOUS

5.1. Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser’s obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the Initial Closing has not been consummated on or before October 31, 2025; provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2. Fees and Expenses. This Section 5.2 and 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. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers. Upon the Closing, out of the proceeds of this transaction the Company shall pay counsel for the Purchasers a total of up to \$55,000 in fees (which will be withheld from the Subscription Amounts received from the Purchasers on a pro rata basis).

5.3. Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and 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.

5.4. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile or email attachment at the facsimile number or email address as set forth on the signature pages attached hereto at or prior to 5:30

p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile or email attachment at the facsimile number or email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5. Amendments; Waivers. Except as provided in the last sentence of this Section 5.5, no provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser's which hold at least 50.1% in interest in the Securities at the time of such amendment or waiver or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought; provided, that if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or group of Purchasers), the consent of such disproportionately impacted Purchaser (or group of Purchasers) shall also be required. No waiver of any default with respect to any provision, condition or requirement of this Agreement 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 hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any proposed amendment or waiver that disproportionately, materially and adversely affects the rights and obligations of any Purchaser relative to the comparable rights and obligations of the other Purchasers shall require the prior written consent of such adversely affected Purchaser. Any amendment effected in accordance with this Section 5.5 shall be binding upon each Purchaser and holder of Securities and the Company. In order to amend the definition of Exempt Issuance, the written consent of the Company and each Purchaser must be obtained.

5.6. Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the Purchasers.

5.8. No Third-Party Beneficiaries. The Placement Agent shall each be a third party beneficiary of the representations, warranties, and covenants of the Company in this Agreement and the representations, warranties, and covenants of the Purchasers in this Agreement. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.8 and this Section 5.8.

5.9. Governing Law; Exclusive Jurisdiction; Attorneys' Fees. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Each party agrees that all Actions concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Document (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts in New York County, New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York County, New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action, any claim that it is not personally subject to the jurisdiction of any such court, that such Action is improper or is an inconvenient venue for such Action. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company elsewhere in this Agreement, the prevailing party in such Action shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action.

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

5.11. Execution. This Agreement 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 facsimile transmission or by e-mail 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 facsimile or ".pdf" signature page were an original thereof.

5.12. Severability. If any term, provision, covenant or restriction of this Agreement 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 herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto 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. Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights;.

5.14. Replacement of Securities. If any certificate or instrument evidencing any 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 without requiring the posting of any bond.

5.15. Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16. Payment Set Aside. To the extent the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17. Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

5.18. Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company, and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.19. 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 Trading Day, then such action may be taken or such right may be exercised on the next succeeding Trading Day.

5.20. 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. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.21. **WAIVER OF JURY TRIAL**. **IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVE FOREVER TRIAL BY JURY.**

In addition, the parties hereto agree that any action, proceeding or claim arising out of or relating in any way to this Agreement or the other Transaction Documents shall be resolved through final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The seat, and venue, of arbitration shall be New York, New York, and any hearings shall be conducted in New York County, New York.

5.22. Non-Circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its Charter, including any Certificates of Designation, or Bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue 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 Agreement, and will at all times in good faith carry out all of the provision of this Agreement and take all action as may be required to protect the rights of all holders of the Securities. Without limiting the generality of the foregoing or any other provision of this Agreement or the other Transaction Documents, the Company (a) shall not increase the par value of any shares of Common Stock receivable upon conversion of the Series B Shares above the conversion price of the Series B Shares then in effect and (b) shall take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Conversion Shares upon the conversion of the Series B Shares. Notwithstanding anything herein to the contrary, if after six months from the Initial Closing, a holder is not permitted to convert the Series B Shares, in full, for any reason, the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consent or approvals as necessary to permit such conversion.

*(Signature Pages Follow)*

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

**FOCUS UNIVERSAL INC.**

Address for Notice:  
Attn:  
EMail:

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

With a copy to (which shall not constitute notice):

Lucosky Brookman LLP  
101 Wood Avenue South Fifth Floor  
Woodbridge, New Jersey 08830  
Attn: Seth Brookman; and Rodrigo Sanchez  
Email: sbrookman@lucbro.com; rsanchez@lucbro.com

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

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

Name of Purchaser: \_\_\_\_\_

*Signature of Authorized Signatory of Purchaser:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Email Address of Authorized Signatory: \_\_\_\_\_

Facsimile Number of Authorized Signatory: \_\_\_\_\_

Address for Notice to Purchaser:

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount: \$ \_\_\_\_\_

Series B Shares: \_\_\_\_\_

EIN Number: \_\_\_\_\_

*[Purchaser Signature Page to Securities Purchase Agreement]*

**EXHIBIT A**

**Form of Certificate of Designations, Preferences and Rights of the Series B Preferred Stock of Focus Universal Inc.**

*[see attached]*

**Exhibit B**

**Form of Registration Rights Agreement**

*[see attached]*

**Exhibit C**

**Form of Reservation Letter**

*[see attached]*

**Exhibit D**

**Form of Consent**

*[see attached]*

**Exhibit E**

**Form of Notice of Conversion for Series B Shares**

*[see attached]*

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this “Agreement”) is made and entered into as of October 21, 2025 between Focus Universal Inc., a Nevada corporation (the “Company”), and each purchaser appearing on the signature page to the Purchase Agreement (as defined below) (each such purchaser, a “Purchaser” and, collectively, the “Purchasers”).

WHEREAS, the Company and the Purchasers are parties to that certain Securities Purchase Agreement, dated as of the date of this Agreement (the “Purchase Agreement”), pursuant to which the Purchasers are purchasing shares of Series B Convertible Preferred Stock, par value \$0.001 per share, of the Company; and

WHEREAS, in connection with the consummation of the transactions contemplated by the Purchase Agreement, and pursuant to the terms of the Purchase Agreement, the parties desire to enter into this Agreement in order to grant certain registration rights to the Purchasers as set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual and dependent covenants hereinafter set forth, the parties agree as follows:

1. Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

“Advice” shall have the meaning set forth in Section 6(d). “Agreement” shall have the meaning set forth in the Preamble.

“CDI 612.09” means Section 612.09 of the Commission’s Compliance and Disclosure Interpretations.

“Closing” means each closing of the purchase and sale of the Series B Shares pursuant to the Purchase Agreement.

“Commission” means the U.S. Securities and Exchange Commission.

“Common Stock” means the Company’s common stock, par value \$0.001 per share, issuable upon conversion of the Series B Shares, and any other class of securities into which such securities may hereafter be reclassified or changed into.

“Company” shall have the meaning set forth in the Preamble.

“Effectiveness Date” means, with respect to the Initial Registration Statement required to be filed hereunder or any other Registration Statement, the earlier of (i) the 60<sup>th</sup> calendar day following the applicable Closing Date (or, if the Commission reviews such Registration Statement, the 90th calendar day following the applicable Closing Date) and (ii) the fifth (5th) Trading Day following the date on which the Company is advised by the Commission that no review will be made of such Registration Statement or that the Commission has no further comments thereon.

“Effectiveness Period” shall have the meaning set forth in Section 2(a). “Event” shall have the meaning set forth in Section 2(b).

“Event Date” shall have the meaning set forth in Section 2(b). “Exchange Act” means the Securities Exchange Act of 1934.

“Filing Date” means, with respect to the Initial Registration Statement required hereunder, the **15th calendar day** following the **applicable Closing Date**, and with respect to any additional Registration Statements which may be required pursuant to this Agreement, the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statements related to the Registrable Securities.

“Holder” or “Holders” means the holder or holders, as the case may be, from time to time of Registrable Securities.

“Indemnified Party” shall have the meaning set forth in Section 5(b). “Indemnifying Party” shall have the meaning set forth in Section 5(b).

“Initial Registration Statement” means the initial Registration Statement filed pursuant to this Agreement. “Losses” shall have the meaning set forth in Section 5(b).

“Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

“Plan of Distribution” shall have the meaning set forth in Section 2(a).

“Proceeding” means any action, claim, suit, investigation or legal proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Prospectus” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“Purchasers” shall have the meaning set forth in the Preamble. “Purchase Agreement” shall have the meaning set forth in the Recitals.

“Registrable Securities” means (a) 100% of all of the shares of Common Stock issuable upon conversion of the Series B Shares issued pursuant to the Purchase Agreement and (b) any securities issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144.

“Registration Statement” means any registration statement required to be filed hereunder pursuant to Section 2(a) and any additional registration statements contemplated by Section 3(b), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“Rule 415” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“Rule 424” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“SEC Guidance” means (i) any publicly-available written or oral guidance (including CDI 612.09), comments, requirements or requests of the Commission staff and (ii) the Securities Act.

“Securities Act” means the Securities Act of 1933.

“Selling Stockholder Questionnaire” shall have the meaning set forth in Section 3(a). “Series B Shares” shall have the meaning ascribed to it in the Purchase Agreement.

“Trading Day” means a day on which the New York Stock Exchange is open for trading.

“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 American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Markets (or any successors to any of the foregoing).

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

“Transfer Agent” means \_\_\_\_\_, with a mailing address of \_\_\_\_\_, and any successor transfer agent of the Company.

## 2. Resale Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement filed hereunder shall be on Form S-1 (or Form S-3 if eligible) and shall contain a description of the Holders planned distribution (unless otherwise directed by at least an 85% majority in interest of the Holders) substantially in the form of “Plan of Distribution” attached hereto as Annex A. The Company shall respond to any comments from the staff of the Commission within seven days of the receipt of such comments. In the event the amount of Registrable Securities which may be included in the Registration Statement is limited due to SEC Guidance (provided that, the Company shall use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, the CDI 612.09) the Company shall use its best efforts to register such maximum portion of the Registrable Securities as permitted by SEC Guidance. Subject to the terms of this Agreement, the Company shall use its best efforts to cause a Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event prior to the applicable Effectiveness Date, and shall use its best efforts to keep such Registration Statement continuously effective under the Securities Act until all Registrable Securities covered by such Registration Statement have been sold, or may be sold pursuant to Rule 144 without the volume or other limitations of such rule, or not required to be registered in reliance upon the exemption in Section 4(a)(1) or 4(a)(7) under the Securities Act, in either case as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders (the “Effectiveness Period”). Provided, however, during any period of time that the Company’s financial statements contained in a prospectus do not meet the requirements of Securities Act Section 10(a)(3) and the remaining period until ten (10) days after the date its Form 10-K is required to be filed (excluding any extended period of time permitted by rule of the SEC) does not exceed thirty (30) days, the Company shall be excused from amending or supplementing its prospectus for the remaining period until the date its Form 10-K is required to be filed (including any extended period of time permitted by rule of the SEC). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. New York City time on a Trading Day. The Company shall immediately notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. The Company shall file a final Prospectus with the Commission as required by Rule 424. Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows: (1) first, the Company shall reduce or eliminate any securities to be included other than Registrable Securities; and (2) second, the Company shall reduce Registrable Securities on a pro rata basis based on the total number of unregistered Registrable Securities purchased by the Purchasers pursuant to the Purchase Agreement. In the event of a cutback hereunder, the Company shall give the Holder at least five Trading Days prior written notice along with the calculations as to such Holder’s allotment.

(b) If a Registration Statement registering for resale all of the Registrable Securities (i) is not declared effective by the Commission by the Effectiveness Date of the Initial Registration Statement or any other Registration Statement (unless the sole reason for such non-registration of all or any portion of the Registrable Securities is solely as a result of SEC Guidance under Rule 415 or similar rule and CDI 612.09 which limits the number of Registrable Securities which may be included in a registration statement with respect to the Holders), or (ii) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than fifteen (15) calendar days during any 12-month period (any such failure or breach being referred to as an “Event”, and the date on which such Event occurs, being referred to as “Event Date”), then, in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to 5% of the purchase price paid by such Holder pursuant to the Purchase Agreement, during which such Event continues uncured. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 15% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Purchaser, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of an Event. Provided, however, the foregoing liquidated damages shall not accrue or be otherwise charged during any period in which the Investor is eligible to sell the Shares on any given day under Rule 144 without the volume or other limitations of such rule, or in reliance upon the exemption in Section 4(a)(1) under the Securities Act, or after such Investor has publicly sold its Registrable Securities.

### 3. Registration Procedures.

In connection with the Company’s registration obligations hereunder, the Company shall:

(a) Not less than three Trading Days prior to the filing of each Registration Statement and not less than one Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall (i) furnish to the Holders copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of the Holders or counsel for the Holders, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary to conduct a reasonable investigation within the meaning of the Securities Act. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object in good faith, provided that, the Company is notified of such objection in writing no later than two Trading Days after the Holders have been so furnished copies of a Registration Statement or two Trading Days after the Holders have been so furnished copies of any related Prospectus or amendments or supplements thereto. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex B (a “Selling Stockholder Questionnaire”) on a date that is not less than two Trading Days prior to the Filing Date or by the end of the fourth Trading Day following the date on which such Holder receives draft materials in accordance with this Section. For the avoidance of doubt, with respect to any Registrable Securities issued in subsequent Closings, the review and filing process in this Section 3 shall apply to the supplemental or additional Registration Statement (or post-effective amendment) to be filed on or prior to the applicable Filing Date for such Registrable Securities.

(b) The Company shall:

(i) prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities,

(ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424,

(iii) respond to any comments received from the Commission with respect to a Registration Statement or any amendment thereto within seven days of the receipt of such comments, and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company may excise any information contained therein which would constitute material non-public information as to any Holder which has not executed a confidentiality agreement with the Company), and

(iv) comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) The Company shall notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible (and, in the case of (i)(A) below, not less than one Trading Day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a “review” of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus, provided that, any and all of such information shall remain confidential to each Holder until such information otherwise becomes public, unless disclosure by a Holder is required by law; provided, further, that notwithstanding each Holder’s acknowledgement to keep such information confidential, each such Holder makes no acknowledgement that any such information is material, non-public information.

(d) The Company shall use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(e) The Company shall furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that any such item which is available on the EDGAR system need not be furnished in physical form, and such number of copies of the current Prospectus as each Holder may reasonably request.

(f) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(c).

(g) Intentionally Omitted

(h) Prior to any resale of Registrable Securities by a Holder, the Company shall use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that, the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(i) If requested by a Holder, the Company shall cooperate with such Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(j) If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(c) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable (and, in any event, promptly after the condition necessitating such suspension no longer exists).

(k) The Company shall comply with all applicable rules and regulations of the Commission and the Trading Market.

(l) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. The Company shall not be liable for any damages during any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request and any liquidated damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel, independent registered public accountants and transfer agent) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities) and (D) (i) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), and (ii) messenger, telephone and delivery expenses, (iii) fees and disbursements of counsel for the Company. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any Trading Market as required hereunder. In no event shall the Company be responsible for any broker-dealer or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees and costs of investigation and preparation) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or (ii) in the case of an occurrence of an event of the type specified in Section 3(c)(iii)-(vi), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 6(d). The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, each director of the Company, each officer of the Company who shall sign such Registration Statement, each underwriter, broker or other Person acting on behalf of the holders of Registrable Securities and each Person who controls any of the foregoing Persons within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company specifically for inclusion in such Registration Statement or such Prospectus or (ii) to the extent that such information relates to such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto or (ii) in the case of an occurrence of an event of the type specified in Section 3(c)(iii)-(vi), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 6(d). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds (after underwriting fees, commissions, or discounts) actually received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one law firm reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof except as otherwise provided in this Section 5(c); provided, that, the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within 10 Trading Days of written notice thereof to the Indemnifying Party; provided, that, the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is judicially determined not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

#### 6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any Losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Filing Other Registration Statements. Neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto) may include securities of the Company in any Registration Statements other than the Registrable Securities (including any Registrable Securities issued in subsequent Closings) and shares issued in connection with the Equity Investment (as defined in the Purchase Agreement). The Company shall not file any other resale registration statements until all Registrable Securities are registered pursuant to a Registration Statement that is declared effective by the Commission, provided that the foregoing shall not prohibit the Company from (x) filing any post-effective amendment or additional Registration Statement required to register Registrable Securities issued in subsequent Closings and provided that this Section 6(b) shall not prohibit the Company from filing amendments to registration statements filed prior to the date of this Agreement or a Form S-8 or Form S-4. If the staff of the Commission or applicable SEC Guidance prevents the inclusion of all of the Registrable Securities requested to be included in a Registration Statement due to limitations on the use of Rule 415 under the Securities Act or other applicable rules, then the Company shall include in such Registration Statement the maximum number of Registrable Securities that may be included without exceeding such limitations. The securities to be included in such Registration Statement shall be allocated as follows: (i) First, the Company shall include all securities that are not Registrable Securities but have been previously registered on an effective registration statement of the Company as of the date of this Agreement and for which the Company is contractually obligated to include; (ii) Second, the Company shall include Registrable Securities on a pro rata basis among the Holders based on the aggregate principal amount or Stated Value of the securities purchased by each Holder under the Purchase Agreement, relative to the total aggregate principal amount or Stated Value of all securities purchased by all Holders under the Purchase Agreement; (iii) Third, any securities requested to be included by other security holders with registration rights shall be included only after the full inclusion of all Registrable Securities. In the event the Commission or SEC Guidance subsequently allows the inclusion of additional Registrable Securities, the Company shall promptly amend the Registration Statement or file a new Registration Statement to include such additional Registrable Securities that were previously cut back, on a pro rata basis as set forth above.

(c) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

(d) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(c)(iii) through (vi), such Holder will immediately discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the “Advice”) by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable.

(e) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of more than 50% of the Registrable Securities including the Lead Investor. If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(e).

(f) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(g) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

(h) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Neither the Company nor any of its Subsidiaries has previously entered into any agreement granting any registration rights with respect to any of its securities to any Person that have not been satisfied in full.

(i) Execution and Counterparts. This Agreement 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 the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail 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 facsimile or “.pdf” signature page were an original thereof.

(j) Governing Law. All questions concerning the choice of law and venue, construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(k) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

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

(m) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(n) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

*[Signature Pages Follow]*

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

**COMPANY:**

**FOCUS UNIVERSAL INC., a Nevada corporation**

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

**PURCHASER:**

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

*[Signature Page to Registration Rights Agreement]*

**PURCHASER:**

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

*[Signature Page to Registration Rights Agreement]*

Annex A  
Plan of Distribution

Each Selling Stockholder (the “Selling Stockholders”) of the Common Stock and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of Common Stock on the Trading Market or any other stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the Selling Stockholders to sell a specified number of such shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell shares under Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers or dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2121 or NASD Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with NASD IM-2440.

In connection with the sale of the Common Stock or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Common Stock in the course of hedging the positions they assume. The Selling Stockholders may also sell shares of the Common Stock short and deliver these securities to close out their short positions, or loan or pledge the Common Stock to broker-dealers that in turn may sell these securities.

The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker- dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the Common Stock. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent.

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the shares. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Stockholders may be deemed to be “underwriters” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. There is no underwriter or coordinating broker acting in connection with the proposed sale of the resale shares by the Selling Stockholders.

The shares will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the shares may not simultaneously engage in market making activities with respect to the Common Stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of shares of the Common Stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

Annex B  
Selling Stockholder Notice and Questionnaire

The undersigned beneficial owner of Common Stock (the “Registrable Securities”) of **Focus Universal Inc.**, a Nevada corporation (the “Company”), understands that the Company has filed or intends to file with the U.S. Securities and Exchange Commission (the “Commission”) a registration statement (the “Registration Statement”) for the registration and resale under Rule 415 of the Securities Act of 1933 (the “Securities Act”), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the “Registration Rights Agreement”) to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling stockholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling stockholder in the Registration Statement and the related prospectus.

**NOTICE**

The undersigned beneficial owner (the “Selling Stockholder”) of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

**QUESTIONNAIRE**

**I. Name.**

(a) Full Legal Name of Selling Stockholder

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(b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities are held:

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(c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

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**2. Address for Notices to Selling Stockholder:**

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Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Contact Person: \_\_\_\_\_

**3. Broker-Dealer Status:**

- (a) Are you a broker-dealer? Yes No
- (b) If “yes” to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company? Yes No
- Note: If “no” to Section 3(b), the Commission’s staff has indicated that you should be identified as an underwriter in the Registration Statement.
- (c) Are you an affiliate of a broker-dealer? Yes No
- (d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities? Yes No

Note: If “no” to Section 3(d), the Commission’s staff has indicated that you should be identified as an underwriter in the Registration Statement.

**4. Beneficial Ownership of Securities of the Company Owned by the Selling Stockholder.**

*Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities issuable pursuant to the Purchase Agreement.*

- (a) Type and Amount of other securities beneficially owned by the Selling Stockholder:
- 
-

**5. Relationships with the Company:**

*Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% or more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.*

State any exceptions here:

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The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Date: \_\_\_\_\_

Beneficial Owner: \_\_\_\_\_

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

**PLEASE EMAIL A COPY OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE TO:**



**PERSONAL AND CONFIDENTIAL****Re: Focus Universal Inc. | Series B Convertible Preferred PIPE | Placement Agent Agreement**

Dear Dr. Wang:

The purpose of this placement agent agreement is to outline our agreement pursuant to which Spartan Capital Securities, LLC (hereby referred as the “**Placement Agent**”) will act as the placement agent on a “best efforts” basis in connection with the proposed PIPE Offering (the “**Placement**”) by Focus Universal Inc. (together with its subsidiaries and affiliates, the “**Company**”) of shares of its Series B Convertible Preferred Stock (the “**Series B**”) and, together with the Conversion Shares (as defined below) (the “**Securities**”). This placement agent agreement sets forth certain conditions and assumptions upon which the Placement is premised. The Company expressly acknowledges and agrees that Placement Agent’s obligations hereunder are on a reasonable “best efforts” basis only and that the execution of this Agreement does not constitute a commitment by Placement Agent to purchase the Securities and does not ensure the successful placement of the Securities or any portion thereof or the success of Placement Agent with respect to securing any other financing on behalf of the Company. The Company confirms that entry into this placement agent agreement and completion of the Placement with Placement Agent will not breach or otherwise violate the Company’s obligations to any other party or require any payments to such other party. For the sake of clarity, such obligations may include but not be limited to obligations under an engagement letter, placement agency agreement, underwriting agreement, advisory agreement, right of first refusal, tail fee obligation or other agreement.

The terms of our agreement are as follows:

1. **Engagement.** The Company hereby engages Placement Agent, for the period beginning on the date hereof and ending October 21, 2025 or upon the completion of the Placement, whichever is sooner (the “**Engagement Period**”), to act as the Company’s exclusive investment bank in connection with the proposed Placement. During the Engagement Period or until the consummation of the Placement, and as long as Placement Agent is proceeding in good faith with preparations for the Placement, the Company agrees not to solicit, negotiate with or enter into any agreement with any other source of financing (whether equity, debt or otherwise), any underwriter, potential underwriter, placement agent, financial advisor, investment banking firm or any other person or entity in connection with an offering of the Company’s debt or equity securities or any other financing by the Company. Placement Agent will use its reasonable “best efforts” to solicit offers to purchase the Securities from the Company on the terms, and subject to the conditions, set forth in the Prospectus (as defined below). Placement Agent shall use commercially reasonable efforts to assist the Company in obtaining performance by each Purchaser (as defined below) whose offer to purchase Securities has been solicited by Placement Agent, but Placement Agent shall not, except as otherwise provided in this Agreement, be obligated to disclose the identity of any potential purchaser or have any liability to the Company in the event any such purchase is not consummated for any reason. The Company acknowledges that under no circumstances will Placement Agent be obligated to underwrite or purchase any Securities for its own account and, in soliciting purchases of the Securities, Placement Agent shall act solely as an agent of the Company. The services provided pursuant to this placement agent agreement shall be on an “agency” basis and not on a “principal” basis.
2. **The Placement.** The Placement is expected to consist of a sale of approximately \$7 million of the Company’s Securities. Placement Agent will act as placement agent for the Placement subject to, among other matters referred to herein and additional customary conditions, completion of Placement Agent’s due diligence examination of the Company and its affiliates, listing approval by the Nasdaq Capital Market (“**Exchange**”) of the Securities to be issued, and the execution of a definitive Securities Purchase Agreement in connection with the Placement (the “**Securities Purchase Agreement**”). The actual size of the Placement, the precise number of Securities to be offered by the Company and the offering price will be the subject of continuing negotiations between the Company and the investors thereto. In connection with the entry into the Securities Purchase Agreement, the Company (i) will meet with Placement Agent and its representatives to discuss such due diligence matters and to provide such documents as Placement Agent may require; (ii) will not file with the Commission any document regarding the Placement without the prior approval of Placement Agent and its counsel; (iii) will deliver to Placement Agent and the investors in the Placement such legal and accounting opinions and letters (including, without limitation, legal opinions, negative assurance letters, good standing certificates and officers’ and secretary certificates) as Placement Agent may require, all in form and substance acceptable to Placement Agent and (iv) will ensure that Placement Agent is a third party beneficiary of all representations, warranties, covenants, closing conditions and deliverables in connection with the Placement.

3. **Placement Compensation.** The placement commission will be eight percent (8.0%) for the Placement and one-half percent (0.5%) for non-accountable expense allowance, and up to \$55,000 for fees and expenses of legal counsel and other out-of-pocket expenses plus the costs associated with the use of a third-party electronic road show service as set forth in Section 7.
4. **Registration Statement.** To the extent the Company decides to proceed with the Placement, the Company will, as soon as practicable and in no event later than the times set forth in the registration rights agreement to be entered into with the investors in the Placement, prepare and file with the Securities and Exchange Commission (the "**Commission**") a Registration Statement on Form S-1 (the "**Registration Statement**") under the Securities Act of 1933, as amended (the "**Securities Act**") and a prospectus included therein (the "**Prospectus**") covering the resale of the Securities to be offered and sold in the Placement. The Registration Statement (including the Prospectus therein), and all amendments and supplements thereto, will be in form reasonably satisfactory to the investors, Placement Agent and counsel to the investors and Placement Agent. Other than any information provided by the investors or Placement Agent in writing specifically for inclusion in the Registration Statement or the Prospectus, the Company will be solely responsible for the contents of its Registration Statement and Prospectus and any and all other written or oral communications provided by or on behalf of the Company to any actual or prospective investor of the Securities, and the Company represents and warrants that such materials and such other communications will not, as of the date of the offer or sale of the Securities, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If at any time prior to the completion of the offer and sale of the Securities an event occurs that would cause the Registration Statement or Prospectus (as supplemented or amended) to contain an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Company will notify Placement Agent immediately of such event and Placement Agent will suspend solicitations of the prospective purchasers of the Securities until such time as the Company shall prepare a supplement or amendment to the Registration Statement or Prospectus that corrects such statement or omission.
5. **Lock-Ups.** In connection with the Placement, the Company's executive officers and shareholders holding at least five percent (5%) of the outstanding Common Stock will enter into customary "lock-up" agreements in favor of the Placement Agent for a period of sixty (60) days after the later of the Closing of the Placement or effectiveness of the Registration Statement (the "**Lock-Up Period**"); provided, however, that any sales by parties to the lock-ups shall be subject to the lock-up agreements and provided further, that none of such Common Stock shall be saleable in the public market until the expiration of the Lock-Up Period.
6. **[RESERVED]**
7. **Expenses.** The Company will be responsible for and will pay all expenses relating to the Placement, including, without limitation, (a) all filing fees and expenses relating to the registration of the Securities with the Commission; (b) all FINRA Public Offering filing fees; (c) all fees and expenses relating to the listing of the Company's equity or equity-linked securities on an Exchange; (d) all fees, expenses and disbursements relating to the registration or qualification of the Securities under the "blue sky" securities laws of such states and other jurisdictions as Placement Agent may reasonably designate (including, without limitation, all filing and registration fees, and the reasonable fees and disbursements of the Company's "blue sky" counsel, which will be Placement Agent's counsel) unless such filings are not required in connection with the Company's proposed Exchange listing; (e) any reasonable legal fees for counsel to lead investors in the Placement; (f) all fees, expenses and disbursements relating to the registration, qualification or exemption of the Securities under the securities laws of such foreign jurisdictions as Placement Agent may reasonably designate; (g) the costs of all mailing and printing of the Placement documents; (h) transfer and/or stamp taxes, if any, payable upon the transfer of Securities from the Company to Placement Agent; (i) the fees and expenses of the Company's accountants; and (j) as discussed in Section 3, above, \$55,000 for reasonable legal fees and disbursements for Placement Agent's counsel.
8. **Closing; Closing Deliverables.** Unless otherwise directed by the Placement Agent, settlement of the Securities be made as set forth in the Securities Purchase Agreement. On the Closing Date, the Securities to which the Closing relates shall be delivered through such means as the parties to the Securities Purchase Agreement may hereafter agree. The Securities shall be registered in such name or names and in such authorized denominations as set forth in the Securities Purchase Agreement.

9. **Conditions of the Obligations of the Placement Agent.** The obligations of the Placement Agent hereunder shall be subject to the accuracy of the representations and warranties on the part of the Company set forth in the Securities Purchase Agreement (on which the Company authorizes the Placement Agent to rely), in each case as of the date hereof and as of the Closing Date as though then made, to the timely performance by each of the Company of its covenants and other obligations hereunder on and as of such dates, and to each of the following additional conditions:
- 9.1. **Regulatory Matters.**
- 9.1.1 **Listing of Additional Shares.** On or before the Closing Date, the Company shall have filed a notice with the Exchange with respect to the Company's additional listing of the securities sold in the Offering.
- 9.2. **Closing Deliverables.** The Company shall have delivered all closing deliverables to the Placement Agent as set forth in Section 9 as of the time required and in form reasonably satisfactory to the Placement Agent.
- 9.3. **No Material Changes; Undisclosed Events, Liabilities or Developments.** Other than as described in the Disclosure Schedule 3.1(i) in connection with the Securities Purchase Agreement, since the date hereof, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect (as defined in the Securities Purchase Agreement), (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or affiliate, except pursuant to existing Company stock incentive plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one (1) Trading Day prior to the date that this representation is made.
- 9.4. **Additional Documents.** At the Closing Date, Placement Agent's counsel shall have been furnished with such documents and opinions as they may require in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Placement Agent and Placement Agent's counsel.
10. **Termination.** Notwithstanding anything to the contrary contained herein, the Company agrees that the provisions relating to the payment of fees, reimbursement of expenses, indemnification and contribution, equitable remedies, confidentiality, conflicts, independent contractor and waiver of the right to trial by jury will survive any termination or expiration of this placement agent agreement. Notwithstanding anything to the contrary contained herein, the Company has the right to terminate the placement agent agreement for cause in compliance with FINRA Rule 5110(g)(5)(B)(i). Notwithstanding anything to the contrary contained in this placement agent agreement, in the event that no Placement is completed for any reason whatsoever during the Engagement Period, the Company shall be obligated to pay to Placement Agent its actual and accountable out-of-pocket expenses related to the Placement (including the fees and disbursements of Placement Agent's legal counsel) and if applicable, for electronic road show service used in connection with the Placement. During the Engagement Period: (i) the Company will not, and will not permit its representatives to, other than in coordination with Placement Agent, contact or solicit institutions, corporations or other entities or individuals as potential purchasers of the Securities and (ii) the Company will not pursue any financing transaction which would be in lieu of the Placement. Furthermore, the Company agrees that during Placement Agent's engagement hereunder, all inquiries from prospective investors will be referred to Placement Agent, *provided that* if the Placement does not occur within ninety (90) days of the execution of this Agreement, this restriction will automatically terminate.

11. **Publicity.** The Company agrees that it will not issue press releases or engage in any other publicity, without Placement Agent's prior written consent, commencing on the date hereof and continuing until the final Closing of the Placement.
12. **Information.** During the Engagement Period or until the Closing, the Company agrees to cooperate with Placement Agent and to furnish, or cause to be furnished, to Placement Agent, any and all information and data concerning the Company, and the Placement that Placement Agent deems appropriate (the "**Information**"). The Company will provide Placement Agent reasonable access during normal business hours from and after the date of execution of this placement agent agreement until the Closing to all of the Company's assets, properties, books, contracts, commitments and records and to the Company's officers, directors, employees, appraisers, independent accountants, legal counsel and other consultants and advisors. Except as contemplated by the terms hereof or as required by applicable law, Placement Agent will keep strictly confidential all non-public Information concerning the Company provided to Placement Agent. No obligation of confidentiality will apply to Information that: (a) is in the public domain as of the date hereof or hereafter enters the public domain without a breach by Placement Agent, (b) was known or became known by Placement Agent prior to the Company's disclosure thereof to Placement Agent as demonstrated by the existence of its written records, (c) becomes known to Placement Agent from a source other than the Company which information is not provided by the breach of an obligation of confidentiality owed to the Company, (d) is disclosed by the Company to a third party without restrictions on its disclosure or (e) is independently developed by Placement Agent as demonstrated by its written records. For the avoidance of doubt, except as otherwise provided herein, all information which is not publicly available relating to the Company's proprietary technology is proprietary and confidential.
13. **No Third Party Beneficiaries; No Fiduciary Obligations.** This placement agent agreement does not create, and shall not be construed as creating, rights enforceable by any person or entity not a party hereto, except those entitled hereto by virtue of the indemnification provisions hereof. The Company acknowledges and agrees that: (i) Placement Agent is not and shall not be construed as a fiduciary of the Company and shall have no duties or liabilities to the equity holders or the creditors of the Company or any other person or entity by virtue of this placement agent agreement or the retention of Placement Agent hereunder, all of which are hereby expressly waived; and (ii) Placement Agent is a full service securities firm engaged in a wide range of businesses and from time to time, in the ordinary course of its business, Placement Agent or its affiliates may hold long or short positions and trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or loans of the companies which may be the subject of the transactions contemplated by this placement agent agreement. During the course of Placement Agent's engagement with the Company, Placement Agent may have in its possession material, non-public information regarding other companies that could potentially be relevant to the Company or the transactions contemplated herein but which cannot be shared due to an obligation of confidence to such other companies.
14. **Indemnification, Advancement & Contribution.**
- 14.1. **Indemnification.** The Company agrees to indemnify and hold harmless Placement Agent, its affiliates and each person controlling Placement Agent (within the meaning of Section 15 of the Securities Act), and the directors, officers, agents and employees of Placement Agent, its affiliates and each such controlling person (Placement Agent, and each such entity or person hereafter is referred to as an "**Indemnified Person**") from and against any losses, claims, damages, judgments, assessments, costs and other liabilities (collectively, the "**Liabilities**"), and shall reimburse each Indemnified Person for all fees and expenses (including the reasonable fees and expenses of counsel for the Indemnified Persons) (collectively, the "**Expenses**") and agrees to advance payment of such Expenses as they are incurred by an Indemnified Person in investigating, preparing, pursuing or defending any actions, whether or not any Indemnified Person is a party thereto, arising out of or based upon (i) any untrue statement or alleged untrue statement of a material fact contained in (A) the Registration Statement, Prospectus or any other offering documents (as from time to time each may be amended and supplemented), (B) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the Placement, including any "road show" or investor presentations made to investors by the Company (whether in person or electronically), or (C) any application or other document or written communication (collectively called "application") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Securities under the securities laws thereof or to file for an exemption from such requirement or filed with the Commission, any state securities commission or agency, any national securities exchange; or (ii) the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon, and in conformity with, information provided to the Company by Placement Agent in writing specifically for use in the Registration Statement, Prospectus or any other offering documents with respect which or resulting from conduct by Placement Agent or another Indemnified Party, as to which Placement Agent shall indemnify and hold harmless the Company, its officers, directors and controlling parties in the manner set forth in this Section 14. The Company also agrees to reimburse and advance each Indemnified Person for all Expenses as they are incurred in connection with such Indemnified Person's enforcement of his or its rights under this Section 14.

14.2. **Procedure.** Upon receipt by an Indemnified Person of actual notice of an action against such Indemnified Person with respect to which indemnity may reasonably be expected to be sought under this Section 14, such Indemnified Person shall promptly notify the Company in writing; provided that failure by any Indemnified Person so to notify the Company shall not relieve the Company from any obligation or liability which the Company may have on account of this Section 14 or otherwise to such Indemnified Person. The Company shall, if requested by Placement Agent, assume the defense of any such action (including the employment of counsel designated by Placement Agent and reasonably satisfactory to the Company). Any Indemnified Person shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless: (i) the Company has failed promptly to assume the defense and employ separate counsel reasonably acceptable to Placement Agent for the benefit of Placement Agent and the other Indemnified Persons or (ii) such Indemnified Person shall have been advised that in the opinion of counsel that there is an actual or potential conflict of interest that prevents (or makes it imprudent for) the counsel designated by and engaged by the Company for the purpose of representing the Indemnified Person, to represent both such Indemnified Person and any other person represented or proposed to be represented by such counsel, in which event the Company shall pay the reasonable fees and expenses of one counsel, plus local counsel, for all Indemnified Parties, which counsel shall, if Placement Agent is a defendant, be designated by Placement Agent. The Company shall not be liable for any settlement of any action effected without its written consent (which shall not be unreasonably withheld). In addition, the Company shall not, without the prior written consent of Placement Agent, settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action in respect of which advancement, reimbursement, indemnification or contribution may be sought hereunder (whether or not such Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination (i) includes an unconditional release of each Indemnified Person, acceptable to such Indemnified Party, from all Liabilities arising out of such action for which indemnification or contribution may be sought hereunder and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Person. The advancement, reimbursement, indemnification and contribution obligations of the Company required hereby shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as every Liability and Expense is incurred and is due and payable, and in such amounts as fully satisfy each and every Liability and Expense as it is incurred (and in no event later than 30 days following the date of any invoice therefore).

14.3. **Contribution.** In the event that a court of competent jurisdiction makes a finding, final beyond right of review, that indemnity is unavailable to an Indemnified Person, the Company shall contribute to the Liabilities and Expenses paid or payable by such Indemnified Person in such proportion as is appropriate to reflect (i) the relative benefits to the Company, on the one hand, and to Placement Agent and any other Indemnified Person, on the other hand, of the matters contemplated by this Section 14 or (ii) if the allocation provided by the immediately preceding clause is not permitted by applicable law, not only such relative benefits but also the relative fault of the Company, on the one hand, and Placement Agent and any other Indemnified Person, on the other hand, in connection with the matters as to which such Liabilities or Expenses relate, as well as any other relevant equitable considerations; provided that in no event shall the Company contribute less than the amount necessary to ensure that all Indemnified Persons, in the aggregate, are not liable for any Liabilities and Expenses in excess of the amount of commissions and non-accountable expense allowance actually received by Placement Agent in the Placement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or Placement Agent on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and Placement Agent agree that it would not be just and equitable if contributions pursuant to this subsection 16.3 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection 16.3. For purposes of this paragraph, the relative benefits to the Company, on the one hand, and to Placement Agent on the other hand, of the matters contemplated by this Section 14 shall be deemed to be in the same proportion as: (a) the total value received by the Company in the Placement, whether or not such Placement is consummated, bears to (b) the commissions paid to Placement Agent under the Placement Agent Agreement. Notwithstanding the above, no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from a party who was not guilty of fraudulent misrepresentation.

14.4. **Limitation.** The Company also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with advice or services rendered or to be rendered by any Indemnified Person pursuant to this placement agent agreement, the transactions contemplated thereby or any Indemnified Person's actions or inactions in connection with any such advice, services or transactions, except to the extent that a court of competent jurisdiction has made a finding that Liabilities (and related Expenses) of the Company have resulted exclusively from such Indemnified Person's gross negligence or willful misconduct in connection with any such advice, actions, inactions or services.

15. **Equitable Remedies.** Each party to this placement agent agreement acknowledges and agrees that (a) a breach or threatened breach by the Company of any of its obligations under Section 8 or the exclusivity provisions of Section 1 would give rise to irreparable harm to Placement Agent for which monetary damages would not be an adequate remedy and (b) if a breach or a threatened breach by the Company of any such obligations occurs, Placement Agent will, in addition to any and all other rights and remedies that may be available to such party at law, at equity, or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance of the terms of Section 8 or the exclusivity provisions of Section 1, as applicable, and any other relief that may be available from a court of competent jurisdiction, without any requirement to (i) post a bond or other security, or (ii) prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this placement agent agreement agrees that such party shall not oppose or otherwise challenge the existence of irreparable harm, the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section 15.
16. **Governing Law; Venue.** This placement agent agreement will be deemed to have been made and delivered in the State of New York, USA, and both the binding provisions of this placement agent agreement and the transactions contemplated hereby will be governed as to validity, interpretation, construction, effect and in all other respects by the internal laws of the State of New York, without regard to the conflict of laws principles thereof. Each of Placement Agent and the Company: (i) agrees that any legal suit, action or proceeding arising out of or relating to this placement agent agreement and/or the transactions contemplated hereby will be instituted exclusively in the courts located in the Borough of Manhattan, City of New York, County of New York, State of New York (ii) waives any objection which it may have or hereafter to the venue of any such suit, action or proceeding, and (iii) irrevocably consents to the jurisdiction of the courts located in the City of New York, County of New York and State of New York, in any such suit, action or proceeding. Each of Placement Agent and the Company further agrees to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in such courts and agrees that service of process upon the Company mailed by certified mail to the Company's address will be deemed in every respect effective service of process upon the Company, in any such suit, action or proceeding, and service of process upon Placement Agent mailed by certified mail to Placement Agent's address will be deemed in every respect effective service process upon Placement Agent, in any such suit, action or proceeding. Notwithstanding any provision of this placement agent agreement to the contrary, the Company agrees that neither Placement Agent nor its affiliates, and the respective officers, directors, employees, agents and representatives of Placement Agent, its affiliates and each other person, if any, controlling Placement Agent or any of its affiliates, will have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement and transaction described herein except for any such liability for losses, claims, damages or liabilities incurred by the Company that are finally judicially determined to have resulted from the bad faith or gross negligence of such individuals or entities. Placement Agent will act under this placement agent agreement as an independent contractor with duties to the Company.

17. **Miscellaneous.** The Company represents and warrants that it has all required power and authority to enter into and carry out the terms and provisions of this placement agent agreement and the execution, delivery and performance of this placement agent agreement does not breach or conflict with any agreement, document or instrument to which it is a party or bound. The binding provisions of this placement agent agreement are legally binding upon and inure to the benefit of both the Company and Placement Agent and their respective assigns, successors, and legal representatives. If any provision of this placement agent agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the placement agent agreement shall remain in full force and effect. This placement agent agreement may be executed in counterparts (including electronic counterparts), each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The undersigned hereby consents to receipt of this placement agent agreement in electronic form and understands and agrees that this placement agent agreement may be signed electronically. Signatures to this placement agent agreement transmitted in electronic form will have the same effect as physical delivery of a paper document bearing the original signature, and if any signature is delivered electronically evidencing an intent to sign this placement agent agreement, such electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this placement agent agreement by electronic mail or other electronic transmission is legal, valid and binding for all purposes.

If you are in agreement with the foregoing, please sign and return to us one copy of this placement agent agreement. This placement agent agreement may be executed in counterparts (including facsimile or .pdf counterparts), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

*[Signature Page of PIPE Offering Placement Agent Agreement Follows]*

Very truly yours,

**SPARTAN CAPITAL SECURITIES, LLC**

By: \_\_\_\_\_  
Name: Brian Duddy  
Title: Director of Equities

**AGREED AND ACCEPTED:**

The foregoing accurately sets forth our understanding and agreement with respect to the matters set forth herein.

**FOCUS UNIVERSAL INC.**

By: \_\_\_\_\_  
Name: Desheng Wang  
Title: Chief Executive Officer

**LOCK UP AGREEMENT  
BETWEEN  
FOCUS UNIVERSAL INC. AND 5% SHAREHOLDERS**

**Effective as of October 21, 2025**

**Lock-Up Period through December 29, 2025**

Between  
Focus Universal Inc. (the “**Company**”)  
and  
Holders of Five Percent (5%) or More of the Company’s Outstanding Securities

**Lock-Up Agreement**

We, the holders of five percent (5%) or more of our outstanding securities (or securities convertible into shares of our common stock), have agreed that until December 29, 2025, or for a period of sixty (60) days after the later of the Closing of the Placement or effectiveness of the Registration Statement (the “**Lock-Up Period**”) subject to certain limited exceptions, we and they will not directly or indirectly, (1) offer, sell, agree to offer or sell, solicit offers to purchase, grant any call option or purchase any put option with respect to, pledge, encumber, assign, borrow or otherwise dispose of or transfer any shares of common stock (including, without limitation, shares of common stock that may be deemed to be beneficially owned by us) or securities convertible into or exercisable or exchangeable for common stock; (2) establish or increase any “put equivalent position” or liquidate or decrease any “call equivalent position” (in each case within the meaning of Section 16 of the Exchange Act and the rules and regulations thereunder) with respect to any common stock or otherwise enter into any swap, derivative or other transaction or arrangement that transfers to another, in whole or in part, any economic consequence of ownership of common stock, whether or not such transaction is to be settled by the delivery of common stock, other securities, cash or other consideration, or otherwise publicly disclose the intention to do so; (3) file or participate in the filing with the SEC of any registration statement or circulate or participate in the circulation of any preliminary or final prospectus or other disclosure document, in each case with respect to any proposed offering or sale of common stock; (4) exercise any rights the undersigned may have to require registration with the SEC of any proposed offering or sale of common stock; or (5) convert, or exercise any rights the undersigned have with respect to, any preferred stock of the Company.

**Execution and Authorization**

The undersigned, being the executive management of Focus Universal Inc., a Nevada corporation (the “**Company**”), acting by contract, hereby consent to the adoption of the following agreement.

The executive management (the “**Management**”) deems it advisable and in the best interests of the Company in a self-volunteered motion to sign a Lock Up Agreement until the Lock-Up Period ends, by the Company; and

The executive management has reviewed the Lock Up Agreement and determined that it is fair as to the Company as of the time of this agreement; and

The executive management has determined it is advisable and in the best interests of the Company that the Company extend the terms of the Lock Up Agreement; and

The Authorized Officers be, and each of them individually hereby is, authorized, empowered and directed in the name and on behalf of the Company to execute and deliver the Lock Up Agreement, in substantially such form, with such changes therein as the officer executing the same shall deem necessary, advisable or appropriate, such execution to be conclusive evidence of the approval of such changes, and to take all such further actions as any of such officers may deem necessary, advisable or appropriate in order to carry out the obligations of the Company under the Lock Up Agreement and to consummate the transactions contemplated thereby; and

Each of the Chief Executive Officer or the Vice President shall be considered an “**Authorized Officer**,” and collectively, the “**Authorized Officers**,” for the purposes of this agreement.

The Authorized Officers be, and each them individually hereby is, authorized, empowered and directed in the name and on behalf of the Company to take or cause to be taken all further actions, and to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, undertakings, documents, instruments, deeds or certificates in the name and on behalf of the Company, and to prepare, execute and file, or cause to be prepared, executed and filed, with any federal, state, local, foreign or other regulatory agencies any forms, reports, filings, applications or other documents, and to incur and pay, or cause to be incurred and paid, such expenses, fees and taxes as shall, in the opinion of such Authorized Officer(s), be deemed necessary, advisable or appropriate, and the taking of any such action or the preparation, delivery, execution or filing by any Authorized Officer(s) of any of the foregoing or the payment of any such expenditures shall conclusively establish authority therefor from and the approval of the Company to effectuate or carry out fully the purpose and intent of all of this agreements; and

All actions heretofore taken by any Authorized Officer(s) in connection with the matters contemplated hereby on or prior to the date on which the executive management adopted these agreements be, and they hereby are ratified, confirmed and approved.

This Written Consent Agreement may be signed in two or more counterparts, each of which shall be deemed an original, and all of which shall be deemed one instrument.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the undersigned shareholders have duly executed this Written Consent to be effective as of the date first set forth above.

\_\_\_\_\_  
Desheng Wang

\_\_\_\_\_  
Edward Lee

\_\_\_\_\_  
Irving Kau

\_\_\_\_\_  
Yan Chen

## Focus Universal Inc. Announces Closing of \$10 Million in Preferred Equity

ONTARIO, CA, October 27, 2025 – Focus Universal Inc. (NASDAQ: FCUV) (“Focus” or the “Company”), a provider of patented hardware and software design technologies for the Internet of Things (IoT), 5G, and AI-driven SEC financial reporting automation software, today announced the closing of \$10 million preferred equity offering. The offering was closed on October 23, 2025, subject to the satisfaction of customary closing conditions.

The total gross proceeds from the offering are \$10 million, with estimated net proceeds of approximately \$9.44 million, after deducting underwriting discounts, commissions, and offering-related expenses. Focus intends to use these net proceeds to continue ongoing commercialization of its Universal Smart IoT platform and AI-driven SEC financial reporting software.

As part of this raise, Dr. Edward Lee, Chairman of the Board of Focus Universal Inc., has already invested \$2 million, along with a commitment from another previous FCUV shareholder, who committed \$1 million alongside Dr. Lee, in the initial Series A round.

Dr. Desheng Wang, Chief Executive Officer of Focus Universal Inc., commented: “The participation of our board chairman as two of our major shareholders along with 3 investor groups demonstrates strong confidence in the advanced technologies and global potential of our products. This investment strengthens our balance sheet, provides financial flexibility to support our growth strategy, and helps us meet Nasdaq’s minimum stockholders’ equity requirement.”

Additionally, in recent release, the Company’s **Universal Smart IoT applications** are now available for download on the **Apple App** and **Google Play Stores**, and Focus’ **AI-driven SEC financial reporting software** is currently under contract for testing. With both flagship products in the final stages of commercialization, Focus believes the proceeds from this offering will be sufficient to support the Company’s path to profitability. To install the Universal Smart IoT App, search ‘**FCUV**’ in the Apple app store or Google Play’s app store and full access permissions in this current version are necessary to be granted by the Company after installation.

Unlike traditional IoT systems, where engineers start from scratch for each new device, the company’s platform provides a pre-built common foundation. Utilizing Focus’ platform, different IoT devices can share roughly 90% of the same hardware and software, substantially reducing development costs and complexity. This unique approach not only accelerates time-to-market but also democratizes access to IoT solutions.

Additionally, Focus Universal’s AI-driven SEC financial reporting software has been successfully demonstrated to several of the well-respected industry leaders within the SEC filing and compliance sector. SEC financial reporting is traditionally a complex, costly, and time-consuming process. The entire process may take several weeks. Delays in filing can result in SEC reviews, enforcement actions, and significant penalties. Focus Universal, by contrast, has developed a fully automated, end-to-end solution powered by both automation and Variegated AI, whereby Focus believes the technology enables the computer to conduct the activities for which the computer is designed and optimal and allows the human to remain within the decision loop and center upon what the human excels. With a single click, the company’s software can:

- Retrieve financial statements from accounting platforms,
- Reformat data into spreadsheets for consolidated financial reporting,
- Automatically generate consolidated financials,
- Populate the word-processed version of SEC filings,
- Convert the documents to SEC-compliant versions via EDGARization, and
- Embed accurate tags into the HTML file — with very limited manual input.

Spartan Capital Securities LLC acted as lead placement agent for the Series B portion of the offering, with RBW Capital Partners LLC, acting as sub-placement agent through Dawson James Securities, Inc. Securities Legal acted as counsel to the Company. Lucosky Brookman acted as counsel to Spartan Capital Securities, LLC.

**About Spartan Capital Securities, LLC**

Spartan Capital Securities, LLC is a premier full-service investment banking firm offering a comprehensive range of advisory services to institutional clients and high-net-worth individuals. Known for its expertise in capital raising, strategic advisory, and asset management, Spartan Capital delivers tailored solutions to meet clients' financial goals.

For more information about Spartan Capital Securities, visit [www.spartancapital.com](http://www.spartancapital.com).

**About RBW Capital Partners LLC**

RBW Capital Partners LLC, is a boutique investment banking group delivering a full spectrum of investment banking services to clients across diverse industries. Renowned for its expertise in capital raising, private placements, and strategic advisory, RBW Capital Partners provides tailored financial solutions to support client growth and maximize value in dynamic markets.

For more information about RBW Capital Partners, visit [www.rbwcapitalpartners.com](http://www.rbwcapitalpartners.com).

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**About Focus Universal:**

Focus Universal Inc. is a provider of patented hardware and software design technologies for Internet of Things (IoT) and 5G. The company has developed five disruptive patented technology platforms with 26 patents and patents pending in various phases and eight trademarks pending in various phases to solve the major problems facing hardware and software design and production within the industry today. For maintenance cost control, the company has also omnibus patents encompassing these patents into patent family groups. These technologies combined to have the potential to reduce costs, product development timelines and energy usage while increasing range, speed, efficiency, and security. Focus currently trades on the Nasdaq Markets.

**Forward-Looking Statements:**

Statements in this press release about future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, may constitute "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the uncertainties related to market conditions and the completion of the public offering on the anticipated terms or at all, and other factors discussed in the "Risk Factors" section of the preliminary prospectus filed with the SEC. Any forward-looking statements contained in this press release speak only as of the date hereof and Focus Universal specifically disclaims any obligation to update any forward-looking statement, whether because of new information, future events or otherwise.

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