

**THIS NOTE AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND THEY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON, INCLUDING A PLEDGEE, UNLESS EITHER A REGISTRATION STATEMENT WITH RESPECT TO SUCH SHARES SHALL BE EFFECTIVE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT THE TRANSACTION IS EXEMPT FROM REGISTRATION UNDER SUCH ACT AND ANY APPLICABLE STATE SECURITIES LAWS.**

**THIS NOTE IS SUBJECT TO A 2020 SUBORDINATION AND INTERCREDITOR AGREEMENT AS OF FEBRUARY 28, 2020 BETWEEN THE COMPANY, THE HOLDERS OF THE 2020A BRIDGE NOTES AND MASSACHUSETTS DEVELOPMENT FINANCE AGENCY, A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST FROM THE COMPANY.**

**CONVERTIBLE TERM PROMISSORY NOTE  
OF  
NANO-C, INC.**

No. 2020A-

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

For value received, NANO-C, INC., a Delaware corporation, with principal offices at 33 Southwest Park, Westwood, MA 02090, hereby promises pay to \_\_\_\_\_ (the “**Holder**”), or his registered assigns, the principal sum of \_\_\_\_\_, or such lesser amount as shall then equal the outstanding principal amount hereunder, together with interest on the unpaid principal balance at a rate equal to the lower of (a) the highest permissible rate under applicable law and (b) twelve percent (12%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days from the date of this Note until the principal amount and all interest accrued thereon and all other amounts owed hereunder are paid (or converted, as provided in Section 3 hereof). The unpaid principal amount, together with any then unpaid accrued interest and all other amounts owed hereunder, shall be due and payable on the Maturity Date (as defined below). Any amounts owed hereunder shall be sent by wire transfer in accordance with instructions provided by the Holder or by check sent by mail to the address of the registered holder of this Note in lawful money of the United States, unless this Note shall have been previously converted pursuant to Section 3 hereof.

The following is a statement of the rights of Holder and the conditions to which this Note is subject, and to which Holder hereof, by acceptance of this Note, agrees:

1. **Definitions.** The following definitions shall apply for all purposes of this Note:

1.1 “**2020A Bridge Notes**” means a series of Convertible Term Promissory Notes of like tenor, numbered sequentially and having an aggregate principal amount of up to \$4,000,000 (including any notes issued in replacement thereof).

1.2 “*Change of Control*” means the sale, conveyance or other disposition of all or substantially all of the Company’s property or business, or the Company’s merger with or into or consolidation with any other corporation, limited liability company or other entity (other than a wholly owned subsidiary of the Company); provided that the term “Change of Control” shall not include (a) a merger of the Company effected exclusively for the purpose of changing the domicile of the Company, (b) an equity financing in which the Company is the surviving corporation, or (c) a transaction in which the stockholders of the Company immediately prior to the transaction own 50% or more of the voting power of the surviving corporation following the transaction.

1.3 “*Company*” means Nano-C, Inc., a Delaware corporation, and any entity which succeeds to or assumes the obligations of Nano-C, Inc. under this Note.

1.4 “*Closing*” means the consummation of a Qualified Financing.

1.5 “*Equity Security*” means any capital stock or other equity interest in the Company, other than capital stock or other equity interests issued to officers, directors or employees of, or consultants to, the Company in connection with their provision of services to the Company.

1.6 “*Holder*” means any person who shall at the time be the registered holder of this Note.

1.7 “*Maturity Date*” means August 31, 2021.

1.8 “*Note*” means this Convertible Term Promissory Note.

1.9 “*Obligations*” means the aggregate unpaid principal and all unpaid accrued interest outstanding under this Note from time to time.

1.10 “*Qualified Financing*” means the first issuance and sale by the Company of Equity Securities resulting in proceeds of at least Three Million Dollars (\$3,000,000) following the date hereof.

1.11 “*Conversion Price*” means 70% of the price at which shares of Equity Securities are sold to investors in a Qualified Financing.

2. **Payment Upon Changes of Control Prior to Payment or Conversion.** Notwithstanding anything to the contrary set forth in this Note, in the event of a Change of Control prior to repayment in full or conversion of this Note, immediately prior to such Change of Control the Company shall pay to the Holder an amount equal to the amount of the Obligations.

3. **Conversion.**

3.1 **Optional Conversion.** On or following the Closing and until the date which is ten (10) days prior to the earlier of the Maturity Date or the consummation of a Change of Control, the Obligations may be converted into the Equity Securities issued in the Qualified Offering at the Conversion Price. The type and class of Equity Securities to be issued to the Holder of this Note upon conversion pursuant to this Section (and the rights and

privileges of the holders thereof) shall be identical to the type and class of the Equity Securities issued by the Company to investors in the Qualified Financing (and the rights and privileges of the holders thereof) and the Holder shall enter into and be bound by all agreements entered into by such investors.

3.2 **Termination of Rights.** All rights with respect to this Note shall terminate upon the conversion of this Note in accordance with Section 3.1. The Holder shall not be entitled to receive a certificate representing the securities to be issued upon conversion of this Note until the original of this Note (or an executed affidavit of loss, damage or mutilation and agreement to indemnify the Company therefrom, in form reasonably requested by the Company) is surrendered (or delivered in the case of such affidavit and agreement) to the Company and the agreements referenced in this Section 3 have been executed and delivered to the Company.

4. **Conversion Mechanics; Issuance of Securities.** At the time of the consummation of the conversion described in Section 3.1, the Holder shall surrender this Note to the Company and this Note shall thereupon be canceled. As soon as practicable after conversion and surrender of this Note, the Company at its expense will cause to be issued in the name of and delivered to the Holder, a certificate or certificates for the securities to which the Holder shall be entitled upon such conversion (bearing such legends as may be required by applicable state and federal securities laws in the opinion of legal counsel of the Company, by the Company's Certificate of Incorporation, or by any agreement between the Company and the Holder), together with any other securities and property to which the Holder is entitled upon such conversion under the terms of this Note. Such conversion shall be deemed to have been made on the date of surrender of this Note to the Company (or the date of receipt by the Company of an executed affidavit of loss and indemnity agreement). No fractional shares of any security will be issued upon conversion of this Note. If upon any conversion of this Note, a fraction of a share of any security would otherwise result, then in lieu of such fraction the Company will pay the cash value of that fraction, calculated on the basis of the Conversion Price.

5. **No Rights or Liabilities as Shareholder.** This Note does not by itself entitle the Holder to any voting rights or other rights as a shareholder or member of the Company. In the absence of conversion of this Note, no provisions of this Note, and no enumeration herein of the rights or privileges of the Holder, shall cause the Holder to be a shareholder or member of the Company for any purpose.

6. **No Impairment.** The Company will not, by amendment of its Certificate of Incorporation, or through reorganization, consolidation, merger, dissolution, issue or sale of securities, sale of assets or any other voluntary action, willfully avoid or seek to avoid the observance or performance of any of the terms of this Note, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Holder under this Note against wrongful impairment. Without limiting the generality of the foregoing, the Company will take all such action as may be necessary or appropriate in order that the Company may duly and validly issue the securities issuable upon the conversion of this Note.

7. **Payment Matters.**

7.1 **Subordination.** This Note is generally subordinate and junior in right of payment to the prior payment in full of all obligations of the Company under that certain Loan Agreement between the Company and Massachusetts Development Finance Agency (“*MassDevelopment*”) dated November 20, 2018, that certain Security Agreement between the Company and MassDevelopment dated November 20, 2018, all promissory notes issued by the Company to MassDevelopment pursuant thereto and any other such obligations agreed to in the 2020 Subordination and Intercreditor Agreement dated as of February 28, 2020 by and among the Company, MassDevelopment and the Holders of the 2020A Bridge Notes, each as heretofore and hereafter amended.

7.2 **Pari Passu.** The 2020A Bridge Notes shall rank equally and ratably without priority over one another or over any other unsecured convertible term promissory notes subsequently issued by the Company.

7.3 **No Prepayment.** No portion of the Obligations may be prepaid without the consent of the Holder prior to the Closing. At or following the Closing, the Obligations may be prepaid without the consent of the Holder only upon thirty (30) days’ prior notice to the Holder and only to the extent such Obligations have not been converted into Equity Securities pursuant to Section 3.1 during such thirty (30) day period.

8. **Waivers.** The Company and all endorser of this Note hereby waive notice, presentment, protest and notice of dishonor.

9. **Transfer.** This Note and any rights hereunder may be assigned, conveyed or transferred, in whole or in part, without the Company’s prior written consent. The Holder agrees to notify the Company of any such transfer within 30 days thereafter and provide the Company with the name and address of the transferee. The rights and obligations of the Company and the Holder under this Note shall be binding upon and benefit their respective permitted successors, assigns, heirs, administrators and transferees.

10. **Governing Law.** This Note shall be governed by and construed under the internal laws of the Commonwealth of Massachusetts as applied to agreements among Massachusetts residents entered into and to be performed entirely within Massachusetts, without reference to principles of conflict of laws or choice of laws.

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

12. **Notices.** Unless otherwise provided, any notice required or permitted under this Note shall be given in writing and shall be deemed effectively given (i) at the time of personal delivery, if delivery is in person; (ii) one (1) business day after deposit with an express overnight courier for United States deliveries, or two (2) business days after such deposit for deliveries outside of the United States, with proof of delivery from the courier requested; or (iii) three (3) business days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries when addressed to the party to be notified at the address indicated for such

party in the company's records, or at such other address as any party or the Company may designate by giving ten (10) days' advance written notice to all other parties.

13. **Amendments and Waivers.** No amendment or waiver hereof (or of any other 2020A Bridge Note) shall be binding unless it is in writing and executed and delivered with the written consent of the Holder, provided that the written consent of the holders of 2020A Bridge Notes representing at least seventy-five percent (75%) of the outstanding principal amount of all 2020A Bridge Notes shall be binding on all holders of the 2020A Bridge Notes.

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

15. **Entire Agreement.** This Note constitutes the entire agreement and understanding between the Company and the Holder with respect to the subject matter hereof and thereof and the indebtedness represented hereby and supersede all prior oral or written agreements, representations or understandings between the Company and the Holder relating to the subject matter hereof and thereof or the indebtedness represented hereby.

[signature appears on following page]

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

NANO-C, INC.

By: \_\_\_\_\_  
Name: Viktor Vejins  
Title: President

[Signature Page to Note]