UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) September 3, 2024

VUZIX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-35955	**04-3392453**
(Commission File Number)	(IRS Employer Identification No.)

25 Hendrix Road, Suite A
West Henrietta, New York 14586
(Address of principal executive offices)(Zipcode)

(585) 359-5900
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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 or to be 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, par value $0.001	VUZI	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.

On September 3, 2024, Vuzix Corporation (the "Company") entered into a securities purchase agreement (the "Purchase Agreement") with Quanta Computer Inc. ("Quanta"), for the sale by the Company to Quanta of (i) $10,000,000 of the Company's common stock, and up to (ii) $10,000,000 of the Company's newly created Series B Preferred Stock.

The first closing under the Purchase Agreement, for the sale of $10,000,000 of the Company's common stock at a purchase price of $1.30 per share, will occur fifteen business days after the day on which closing conditions for such closing are met or waived, or such other date as may be agreed to between the Company and Quanta.

The second closing under the Purchase Agreement, for the sale of $5,000,000 of the Company's Series B Preferred Stock, at a purchase price per share equal to the higher of (a) $13.00 or (b) ten times the volume-weighted average sale price of the common stock for the thirty trading days before the date on which the conditions for the second closing are met, will occur fifteen business days after the day on which closing conditions for such closing are met or waived, or such other date as may be agreed to between the Company and Quanta. The second closing will be subject to, among other closing conditions, the Waveguide Plate Production Capacity Rate (as defined under the Purchase Agreement) at the Company's Rochester waveguide manufacturing plant being reasonably demonstrated to reach certain production levels and yields based on a Sampled run-rate basis (as defined in the Purchase Agreement).

The third closing under the Purchase Agreement, for the sale of $5,000,000 of the Company's Series B Preferred Stock, at a purchase price per share equal to the higher of (a) $13.00 or (b) ten times the volume-weighted average sale price of the common stock for the thirty trading days before the date on which the conditions for the third closing are met, will occur fifteen business days after the day on which closing conditions for such closing are met or waived, or such other date as may be agreed to between the Company

and Quanta. The third closing will be subject to, among other closing conditions, the Waveguide Plate Production Capacity Rate at the Company's Rochester waveguide manufacturing plant being reasonably demonstrated to reach certain production levels and yields based on a Sampled run-rate basis.

The Purchase Agreement may be terminated by either party if the second closing has not occurred within 12 months from the date of the Purchase Agreement, or if the third closing has not occurred within 18 months from the date of the Purchase Agreement.

In connection with the Purchase Agreement, on September 3, 2024, the Company and Quanta entered into a registration rights agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company agreed to use commercially reasonable efforts to file a registration statement with the Securities and Exchange Commission (the "SEC") for the resale of the shares of common stock and shares underlying the Series B Preferred Stock, issuable under the Purchase Agreement, within 45 days of the first closing under the Purchase Agreement, and to have such registration statement declared effective within 60 days of the first closing (or 90 days if the registration statement is reviewed by the SEC).

In connection with the foregoing, the Company relied upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, for transactions not involving a public offering.

The above description of the material terms of the Purchase Agreement and the Registration Rights Agreement are qualified in their entirety by reference to the text of such agreements which are filed as exhibits to this report.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 is incorporated by reference herein.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

In connection with the Purchase Agreement, on September 3, 2024, the Company filed a certificate of designation of Series B Preferred Stock with the Secretary of State of Delaware. Pursuant to the certificate of designation, the Company designated 800,000 shares as Series B Preferred Stock. The Series B Preferred Stock will entitle the holders to cumulative dividends at the annual rate of 1.5% of the original issuance price, payable quarterly. Upon any liquidation of the Company, holders of Series B Preferred Stock will be entitled to receive the original issuance price, plus any accrued dividends, prior to any payments to holders of common stock. Each share of Series B Preferred Stock will be convertible, at the option of the holder, into ten shares of common stock, subject to adjustment for stock splits, stock dividends, and similar transactions. If a Triggering Event (as defined in the certificate of designation) occurs, holders may, at their option, require the Company to redeem the Series B Preferred Stock at a redemption price equal to the original issuance price plus any accrued dividends. The Company may, at its option at any time, redeem the Series B Preferred Stock. The Series B Preferred Stock will not entitle the holders to voting rights, except with respect to certain actions which will require the consent of the holders of 66 2/3% of the outstanding shares of Series B Preferred Stock, or as required by law.

The foregoing summary of the certificate of designation is subject to the full text of the certificate of designation, which is filed as an exhibit to this report.

Item 8.01 Other Events.

On September 3, 2024, the Company issued a press release regarding the Purchase Agreement. A copy of the press release is filed as Exhibit 99.1 to this report.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
3.1	Certificate of Designation of Series B Preferred Stock
10.1 *	Purchase Agreement
10.2	Registration Rights Agreement
99.1	Press Release

* Portions of this agreement have been omitted.

SIGNATURES

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

Date: September 3, 2024

VUZIX CORPORATION

By: /s/ Grant Russell
Grant Russell
Chief Financial Officer

Exhibit 3.1

CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS

OF

SERIES B PREFERRED STOCK OF

VUZIX CORPORATION

Vuzix Corporation (the "Corporation"), a corporation organized and existing under the laws of Delaware, does hereby certify that, pursuant to authority conferred upon the Board of Directors of the Corporation by the Certificate of Incorporation of the Corporation, it has adopted resolutions (a) authorizing the creation of Series B Preferred Stock of the Corporation and (b) providing for the designations, preferences and relative participating, optional or other rights, and the qualifications, limitations or restrictions thereof, as follows:

SECTION 1. Designation of Series. The shares of such series shall be designated as the "Series B Preferred Stock" and the number of authorized shares initially constituting such series shall be eight hundred thousand (800,000) shares.

SECTION 2. Ranking. The Series B Preferred Stock will rank, with respect to dividend rights and rights upon Liquidation Events:

(a) senior to the Common Stock, Series A Preferred Stock and each other class or series of Capital Stock (including without limitation, any other series of preferred stock) of the Corporation now existing or hereafter authorized, classified or reclassified, contingent equity liabilities and future equity distributions of the Corporation which do not expressly provide that such class or series ranks on a parity basis with the Series B Preferred Stock as to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation (such Capital Stock, "Junior Stock"); and

(b) on a parity basis with each other class or series of Capital Stock of the Corporation hereafter authorized, classified or reclassified, the terms of which expressly provide that such class or series ranks on a parity basis with the Series B Preferred Stock as to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation (such Capital Stock, "Parity Stock").

SECTION 3. Definitions. As used herein with respect to Series B Preferred Stock:

"Accrued Dividends" means, as of any date, with respect to any shares of Series B Preferred Stock, all dividends that have accrued on such shares pursuant to Section 4, whether or not declared, but that have not, as of such date, been paid in cash.

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

"Board" means the Board of Directors of the Corporation or any committee thereof duly authorized to act on behalf of such Board of Directors for the purposes in question.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York or Taiwan are authorized or required by law to remain closed.

"By-Laws" means the Amended and Restated By-Laws of the Corporation, as may be amended from time to time.

"Capital Stock" means, with respect to any Person, any and all shares of, interests in, rights to purchase, warrants to purchase, options for, participations in or other equivalents of or interests in (however designated) stock issued by such Person.

"Certificate of Designations" means this Certificate of Designation, Preferences and Rights, as may be amended from time to time.

"Certificate of Incorporation" means the Certificate of Incorporation of the Corporation, as may be amended from time to time.

"close of business" means 5:00 p.m. (New York City time).

"Common Stock" means the common stock, par value $0.001 per share, of the Corporation.

"Company" has the meaning set forth in the recitals above.

"Conversion Obligation" means the amount and kind of consideration due upon a conversion of the Series B Preferred Stock in accordance with the terms of Section 8.

"Conversion Shares" means the shares of Common Stock then issuable upon a conversion of the Series B Preferred Stock in accordance with the terms of Section 8.

"Dividend Payment Date" means each January 1, April 1, July 1 and October 1 of each year, beginning on the first such date after the first Original Issuance Date.

"Dividend Period" means the period from, and including, a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period shall commence on, and include, the Original Issuance Date and shall end on, but exclude, the first Dividend Payment Date.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Holder" means a Person in whose name any Series B Preferred Stock is registered in the Register.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Junior Stock" has the meaning set forth in Section 2(a).

"Liquidation Event" means any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

"Liquidation Preference" means, with respect to any share of Series B Preferred Stock, as of any date, the Original Issuance Price increased by Accrued Dividends with respect to such share.

"NASDAQ" means The Nasdaq Capital Market (or its successor).

"Notice of Redemption" has the meaning set forth in Section 6(e)(i).

"Original Issuance Date" means, with respect to a share of Series B Preferred Stock, the dates of on which such share is issued pursuant to the Securities Purchase Agreement.

"Original Issuance Price" means, as of the Original Issuance Date, for each share of Series B Preferred Stock, a dollar amount equal to the applicable Per Share Purchase Price (as such term defined in the Securities Purchase Agreement).

"Person" means any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or any other entity.

"Preferred Stock" means the preferred stock, par value $0.001, of the Corporation.

"Record Holder" means, with respect to any Dividend Payment Date, a Holder of record of the Series B Preferred Stock as such Holder appears on the stock register of the Corporation at the close of business on the related Regular Record Date.

"Redemption Date" means a date that is fixed for redemption of the Series B Preferred Stock by the Corporation in accordance with Section 6.

"Redemption Price" means the Optional Redemption Price and the Protective Redemption Price, as applicable.

"Register" means the securities register maintained in respect of the Preferred Stock by the Corporation.

"Regular Record Date" means, with respect to any Dividend Payment Date, the fifteenth day of each month preceding the month of each Dividend Payment Date, immediately preceding the applicable Dividend Payment Date, respectively. The Regular Record Dates shall apply regardless of whether a particular Regular Record Date is a Business Day.

"Securities Purchase Agreement" means that certain Securities Purchase Agreement between the Corporation and Quanta Computer Inc., dated as of September 3, 2024, as it may be amended, supplemented or otherwise modified from time to time, with respect to the issuance and sale of certain shares of Common Stock and Preferred Stock.

"Series A Preferred Stock" means the series A preferred stock, par value $0.001 per share, of the Corporation.

"Series B Preferred Stock" has the meaning set forth in Section 1.

"Subsidiary" means any Person in which the Corporation, directly or indirectly, (I) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person, and each of the foregoing, is individually referred to herein as a "Subsidiary."

"Super Majority Holders" means Holders representing at least sixty-six and two-thirds percent (66 2/3%) of the then-issued and outstanding shares of Series B Preferred Stock.

"Tax" or "Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable thereto.

"Trading Day" means a day on which the NASDAQ is open for business.

"Transfer Agent" means the Person acting as Transfer Agent, Registrar and paying agent for the Common Stock and its successors and assigns, which may be the Corporation or one of its Affiliates.

"Trigger Event" means:

(a) failure by the Corporation to make any payment of dividends on any Dividend Payment Date or any other amounts (including, without limitation, the Liquidation Amount, the redemption prices pursuant to Section 6) as required hereunder when the same becomes due and payable, and such failure continues for thirty (30) continuous days;

(b) the Corporation or any of its Subsidiaries materially fail to comply with any of the covenants hereunder, including failure of the Corporation to comply with its obligation to convert the Series B Preferred Stock in accordance with this Certificate of Designations upon exercise of a Holder's conversion right, and such failure continues for thirty (30) continuous days;

(c) the Corporation contests in writing the validity or enforceability of this Certificate of Designations or any provision herein and fails to withdraw such contestation within ten (10) days thereafter;

(d) any change in or amendment to the laws, regulations and rules of the United States or the official interpretation or official application thereof, as a result of which a Holder's continuance holding of the shares of Series B Preferred Stock is prohibited; or

(e) the Corporation commences or is subject to a case or proceeding pursuant to or within the meaning of any bankruptcy or insolvency law.

SECTION 4. Dividends.

(a) Rate. Holders shall be entitled to receive, and the Corporation shall pay, cumulative dividends at the rate per annum of 1.5% on the Original Issuance Price per share of Series B Preferred Stock (the "Dividend Amount"), payable in cash. No dividends upon shares of the Series B Preferred Stock shall be authorized by the Board or declared by the Corporation or paid or set apart by the Corporation at such times as such authorization, declaration, payment or setting apart for payment shall be restricted or prohibited by law. Declared dividends on the Series B Preferred Stock shall be payable quarterly on each Dividend Payment Date at such annual rate, and dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the Original Issuance Date, whether or not in any Dividend Period or Dividend Periods there have been funds legally available for the payment of such dividends. Declared dividends shall be payable on the relevant Dividend Payment Date to Record Holders at the close of business on the immediately preceding Regular Record Date, whether or not the shares of Series B Preferred Stock held by such Record Holders on such Regular Record Date are converted, redeemed or repurchased after such Regular Record Date. If a Dividend Payment Date is not a Business Day, payment shall be made on the next succeeding Business Day, without any interest or other payment in lieu of interest accruing with respect to this delay.

The amount of dividends payable on each share of Series B Preferred Stock for each full Dividend Period (after the initial Dividend Period) shall be computed by dividing the Dividend Amount by four. Dividends payable on the Series B Preferred Stock for the initial Dividend Period and any partial Dividend Period shall be computed based upon the number of days elapsed during such period over a 360-day year (consisting of twelve 30-day months). Accumulated dividends shall accrue interest per annum at the rate at which dividends accumulate on the Series B Preferred Stock if they are paid subsequent to the applicable Dividend Payment Date, from, and including, such Dividend Payment Date to, but excluding, the date on which such dividends shall have been paid by the Corporation, payable in cash out of funds legally available for the payment of such amounts.

Dividends on any share of Series B Preferred Stock converted to Common Stock shall cease to accumulate on the Conversion Date.

(b) Priority of Dividends. So long as any share of the Series B Preferred Stock remains outstanding, no cash dividend or equivalent distribution shall be declared or paid on Common Stock or any other shares of Junior Stock, and no Common Stock or other Junior Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its Subsidiaries unless all accumulated and unpaid dividends for all preceding Dividend Periods have been declared and paid upon, or a sufficient sum of cash has been set apart for the payment of such dividends upon, all outstanding shares of Series B Preferred Stock.

When dividends on shares of Series B Preferred Stock have not been paid in full on any Dividend Payment Date or declared and a sum sufficient for payment thereof has not been set aside for the benefit of the Record Holders thereof on the applicable Regular Record Date, no dividends may be declared or paid on any Parity Stock (other than dividends or distributions in the form of Parity Stock and Junior Stock and cash solely in lieu of fractional shares in connection with such dividend or distribution) unless dividends are declared on the Series B Preferred Stock such that the respective amounts of such dividends declared on the Series B Preferred Stock and each such other class or series of Parity Stock shall bear the same ratio to each other as all accumulated and unpaid dividends per share on the shares of the Series B Preferred Stock and such class or series of Parity Stock (subject to their having been declared by the Board out of legally available funds) bear to each other, in proportion to their respective liquidation preferences; provided that any unpaid dividends will continue to accumulate.

(c) Method of Payment of Dividends. Any declared dividend on the Series B Preferred Stock, whether or not for a current Dividend Period or any prior Dividend Period, shall be paid by the Corporation in cash.

SECTION 5. Liquidation Rights.

(a) Liquidation. In the event of any Liquidation Event, the Holders shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock, and subject to the rights of the Corporation's existing and future creditors, to receive in full a liquidating distribution in cash and in the amount per share of Series B Preferred Stock equal to the greater of (x) the Liquidation Preference and (y) the amount the Holder would have received had such Holder, immediately prior to such Liquidation Event, converted such share of Series B Preferred Stock into Common Stock (such greater amount, the "Liquidation Amount").

(b) Partial Payment. If in connection with any distribution described in Section 5(a) above, the assets of the Corporation or proceeds therefrom are not sufficient to pay in full the aggregate liquidating distributions required to be paid pursuant to Section 5(a) above to all Holders, the amounts distributed to the Holders shall be paid pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled if all amounts payable thereon were paid in full.

SECTION 6. Redemption.

(a) Optional Redemption. Shares of Series B Preferred Stock may be redeemed by the Corporation in accordance with thisSection 6(a). At any time or from time to time on or after the Original Issuance Date, the Corporation, at its option, may redeem for cash any shares of Series B Preferred Stock at the redemption price per share of Series B Preferred Stock equal to 100% multiplied by the Liquidation Preference (the "Optional Redemption Price"), subject to Holders' Conversion Rights.

(b) Reserved.

(c) Class Protective Provisions. Upon the occurrence of a Trigger Event, each Holder may, at such Holder's election, require the Corporation to redeem for cash (the "Trigger Event Redemption") all, but not less than all, of such Holder's outstanding shares of Series B Preferred Stock at a purchase price per share of Series B Preferred Stock equal to 100.00% multiplied by the Liquidation Preference (the "Protective Redemption Price"); provided, however, the Corporation shall only be required to pay the Protective Redemption Price to the extent such purchase can be made out of funds legally available therefor.

(d) Redemption Date. If the Redemption Date falls after a Regular Record Date for the payment of dividends declared on the Series B Preferred Stock before the Dividend Payment Date corresponding to that Regular Record Date, Holders at the close of business on that Regular Record Date shall be entitled to receive the dividend payable on those shares on the corresponding Dividend Payment Date. The price payable on such Redemption Date will include only the Redemption Price, but will not include any amount in respect of dividends on the Series B Preferred Stock declared and payable on such corresponding Dividend Payment Date. The Corporation shall pay in full the Redemption Price on the applicable Redemption Date.

(e) Notice of Redemption; Notice of Trigger Event.

(i) Notice of redemption of the Series B Preferred Stock pursuant to Section 6(a) (the "Notice of Redemption") shall be given by facsimile, email, overnight courier or first class mail, postage prepaid, addressed to the Holders of record of the Series B Preferred Stock. Such Notice of Redemption shall be delivered to each Holder at least thirty (30) days and not more than sixty (60) days before the proposed redemption date and shall state: (1) the applicable redemption date; (2) the number of shares of Series B Preferred Stock held by the Holder and to be redeemed; (3) the applicable redemption price per share of Series B Preferred Stock; (4) the place or places where certificates for such shares of Series B Preferred Stock, if any, are to be surrendered for payment. A Notice of Redemption shall be without prejudice to a Holder's Conversion Rights.

(ii) Notice of the occurrence of a Trigger Event pursuant to Section 6(c) (the "Notice of Trigger Event") shall be given by facsimile, email, overnight courier or first class mail, postage prepaid, addressed to the Holders of record of the Series B Preferred Stock. Such Notice of Trigger Event shall be mailed to each Holder as soon as practicable after the occurrence of any Trigger Event but in any case not more than five (5) Business Days after the occurrence thereof. Such Notice of Trigger Event shall state: (1) the date on which such Trigger Event occurred and the proposed redemption date; (2) the applicable redemption price per share of Series B Preferred Stock; (3) that an election form is attached or where to obtain such an election form; and (4) the date by which each such Holder shall be required to provide notice to the Corporation of its election to cause such redemption and the place or places where such Holders must send their election form along with certificates for such shares of Series B Preferred Stock, if any, are to be surrendered for payment. The date to be set by the Corporation by which each Holder shall be required to affirmatively elect to cause the Corporation to so redeem its shares of Series B Preferred Stock shall be a date no earlier than fifteen (15) days after the date such Notice of Trigger Event was delivered to all Holders, as aforesaid. If the Corporation fails to send the Notice of Trigger Event in a timely fashion, Holders representing at least ten percent (10%) of the then-issued and outstanding shares of Series B Preferred Stock may by notice in writing to the Corporation, request the Corporation to redeem all of its shares of Series B Preferred Stock. Such notice shall describe the Trigger Event that has occurred and state the proposed redemption date.

(iii) Each Holder electing to cause the Corporation to redeem its shares of Series B Preferred Stock in accordance with Section 6(e)(ii) shall deliver its duly completed election form to the Corporation by the date and at the location as set forth in the Notice of Trigger Event. Any such election may be withdrawn and cancelled by any such Holder by further notice delivered to the Corporation no later than the Business Day prior to the specified date of redemption.

(f) Treatment of Shares; Partial Redemption. Until a share of Series B Preferred Stock is redeemed by the payment or deposit in full of the redemption price as provided in Section 6(g), such share of Series B Preferred Stock will remain outstanding and will be entitled to all of the powers, designations, preferences and other rights provided herein. In the event that an optional redemption is effected with respect to shares of Series B Preferred Stock representing less than all shares of Series B Preferred Stock held by a Holder, promptly following such optional redemption, the Corporation shall reflect in the Register the remaining shares of Series B Preferred Stock held by such Holder.

(g) Sufficient Funds. If the Corporation shall not have sufficient funds legally available to redeem all shares of Series B Preferred Stock required under this Section 6, the Corporation shall (i) redeem, pro rata among the Holders, a number of shares of Series B Preferred Stock with an aggregate redemption price equal to the amount legally available for the purchase of shares of Series B Preferred Stock and (ii) purchase any shares of Series B Preferred Stock not purchased because of the foregoing limitations at the applicable redemption price as soon as practicable after the Corporation is able to make such purchase out of assets legally available for the purchase of such share of Series B Preferred Stock. For the avoidance of doubt, dividends will continue to accrue on the Preferred Stock until such time as the shares of Preferred Stock are actually purchased. The inability of the Corporation (or its successor) to make a purchase payment for any reason shall not relieve the Corporation (or its successor) from its obligation to effect any required purchase when, as and if permitted by applicable law. Notwithstanding the foregoing, in the event a Holder exercises a Trigger Event Redemption pursuant to this Section 6 at a time when the Corporation is restricted or prohibited (contractually or otherwise) from redeeming some or all of the Series B Preferred Stock subject to the Trigger Event Redemption, the Corporation will use its reasonable best efforts to obtain the requisite consents to remove or obtain an exception or waiver to such restrictions or prohibition. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Corporation's failure to comply with its obligations under this Section 6. For so long as a failure to comply with this Section 6 has occurred and is continuing, the restrictions set forth in Section 4(b) with respect to restrictions on dividends or distributions relating to Junior Stock shall apply *mutatis mutandis*.

(h) With respect to any share of Series B Preferred Stock to be redeemed by the Corporation pursuant to Section 6(a) or Section 6(c) and which has been redeemed in accordance with the provisions of this Section 6, (i) such share shall no longer be deemed outstanding and (ii) all rights with respect to such share shall cease and terminate other than the rights of the Holder thereof to receive the redemption price therefor.

SECTION 7. Voting Rights.

(a) General. No Holder shall be entitled to a vote on any matter submitted to a vote of stockholders of the Corporation, except as otherwise provided herein or as required by applicable law. The Holders shall be entitled to notice of any stockholders' meeting in accordance with the Certificate of Incorporation and the Bylaws as if they were holders of record of Common Stock for such meeting.

(b) Series B Preferred Stock Adverse Changes. So long as any shares of Series B Preferred Stock are outstanding, in addition to any other vote required by applicable law, the Corporation may not take, and may not permit any of its Subsidiaries to directly or indirectly take, any of the following actions (including by means of merger, consolidation, reorganization, recapitalization or otherwise) without the prior affirmative vote or written consent from the Super Majority Holders, voting as a separate class:

(i) amend, alter, repeal or otherwise modify any provision of the Certificate of Incorporation (including this Certificate of Designations) in a manner that would adversely affect the powers, preferences, rights or privileges of the Series B Preferred Stock;

(ii) authorize, create, increase the authorized amount of, or issue any class or series of Capital Stock of the Corporation or any security convertible into, or exchangeable or exercisable for any of the foregoing, or reclassify any security into, any Capital Stock of the Corporation ranking senior to or pari passu with the Series B Preferred Stock with respect to dividend rights and rights upon Liquidation Events; and

(iii) increase or decrease the authorized number of shares of Series B Preferred Stock (except for the cancellation and retirement of shares set forth in Section 10) or issue additional shares of Series B Preferred Stock other than in connection with the transactions described in the Securities Purchase Agreement.

(c) Each Holder of Series B Preferred Stock will have one (1) vote per share on any matter on which Holders of Series B Preferred Stock are entitled to vote separately as a class, whether at a meeting or by written consent.

(d) Until being issued upon the conversion of the Series B Preferred Stock, the shares of Common Stock issuable upon conversion of the Series B Preferred Stock shall not be deemed to be outstanding and Holders shall have no voting rights with respect to such shares of Common Stock by virtue of holding the Series B Preferred Stock.

SECTION 8. Conversion Rights. The Holders shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Series B Preferred Stock shall be convertible, at the option of the respective Holder, from time to time following the Original Issuance Date of such share (including, for the avoidance of doubt, following a Notice of Redemption is received but prior to the completion of redemption pursuant thereto), and without the payment of additional consideration by the Holder, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing (i) the Original Issuance Price increased by the Accrued Dividends by (ii) the applicable Conversion Price in effect as of the Conversion Date (such result, the "Conversion Rate"). The "Conversion Price" for each share of Series B Preferred Stock shall initially be (x) the Original Issuance Price of such share divided by (y) ten (10) and is subject to adjustment as provided in this Section 8; and the initial Conversion Rate is ten (10).

(b) Fractional Shares. The Corporation shall not issue any fractional shares of Common Stock upon conversion of Series B Preferred Stock and in the event that any conversion of the shares of Series B Preferred Stock would result in the issuance of a fractional share, the number of shares of Common Stock issued or issuable to such Holder shall be rounded up to the nearest whole share of Common Stock. Whether or not there will be fractional shares upon such conversion shall be determined on the basis of the total number of shares of Series B Preferred Stock the Holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable to such Holder upon such conversion.

(c) Procedures for Conversion; Effect of Conversion.

(i) Procedures for Holder Conversion. Holders shall effect conversions by providing the Corporation with a written notice of conversion (a "Notice of Conversion") delivered in accordance with Section 13 on any Business Day. Each Notice of Conversion shall specify the number of shares of Series B Preferred Stock to be converted and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers in writing (including by facsimile or email) such Notice of Conversion to the Corporation (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder. To effect conversions of shares of Series B Preferred Stock in certificated form, a Holder shall not be required to surrender the certificate(s) representing the shares of Series B Preferred Stock to the Corporation unless all of the shares of Series B Preferred Stock represented thereby are so converted, in which case such Holder shall deliver the certificate representing such shares of Series B Preferred Stock promptly following the Conversion Date at issue.

The shares of Common Stock shall be deemed to have been issued, and the Holder or any other Person so designated to be deemed to have become a holder of record of such shares for all purposes, as of the close of business on the Conversion Date. Not later than 10:00 am (New York City time) on the second Trading Day after each Conversion Date if shares are to be delivered in book-entry form or within five (5) Business Days otherwise (the "Share Delivery Date"), the Corporation shall deliver, or cause to be delivered (through the facilities of DTC and the Transfer Agent or in certificated form, as applicable), to the converting Holder the number of shares of Common Stock being acquired upon the conversion of the Series B Preferred Stock. If, in the case of any Notice of Conversion, such shares of Common Stock are not delivered to the applicable Holder or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Corporation in accordance with Section 13 at any time on or before its receipt of such shares of Common Stock, to rescind such conversion, in which event the Corporation shall promptly return to the Holder any original Series B Convertible Stock certificate delivered to the Corporation.

In the event that a conversion is effected pursuant to this Section 8 with respect to shares of Series B Preferred Stock representing less than all the shares of Series B Preferred Stock held by a Holder, upon such conversion the Corporation shall execute and instruct the Registrar (if applicable) to countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Series B Preferred Stock as to which conversion was not effected, or, if the Series B Preferred Stock is held in book-entry form, the Corporation shall or shall cause the Registrar, if applicable, to reduce the number of shares of Series B Preferred Stock by making a notation.

(ii) All shares of Series B Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, shall immediately cease and terminate at the time of conversion, except only the right of the Holders thereof to receive shares of Common Stock in exchange therefor.

(d) Reservation of Stock. The Corporation shall, at all times when any shares of Series B Preferred Stock are outstanding, reserve and keep available out of its authorized but unissued shares of Capital Stock, solely for the purpose of issuance upon the conversion of the Series B Preferred Stock, for each share of then outstanding Series B Preferred Stock, the number of shares of Common Stock issuable upon the conversion thereof pursuant to Section 8(a) based on the then applicable Conversion Price (taking into account any adjustment to such number of shares so issuable in accordance with Section 8(f) hereof). In the event that any such reservation of shares shall be determined by the Corporation to be insufficient in light of the circumstances, the Corporation shall promptly adjust such reservation amount. In the event that the Corporation would be required to reserve Common Stock in excess of its authorized Common Stock, the Corporation shall use its best efforts to increase its number of authorized shares of Common Stock as necessary to satisfy its obligations under this Certificate of Designations as promptly as reasonably practicable. The Corporation shall take all such actions as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation and shall use commercially reasonable efforts to take all such actions as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any requirements of any securities exchange upon which shares of Common Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Corporation upon each such issuance). The Corporation shall not close its books against the transfer of any of its Capital Stock in any manner which would prevent the timely conversion of the shares of Series B Preferred Stock.

(e) No Charge or Payment. The issuance of certificates for shares of Common Stock upon conversion of shares of Series B Preferred Stock pursuant to this Certificate of Designations shall be made without payment of additional consideration by, or other charge, cost or tax to, the Holder in respect thereof. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series B Preferred Stock pursuant to this Certificate of Designations.

(f) Adjustment to Conversion Price and Number of Conversion Shares. The Conversion Price shall be adjusted from time to time by the Corporation if any of the following events occur:

(i) Adjustment for Share Splits and Combinations. If the Corporation shall at any time, or from time to time after the Original Issuance Date, effect a subdivision of the outstanding Common Stock, the applicable Conversion Price in effect immediately prior to such subdivision shall be proportionately decreased. Conversely, if the Corporation shall at any time, or from time to time after the Original Issuance Date, combine the outstanding Common Stock into a smaller number of shares, the applicable Conversion Price in effect immediately prior to the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(ii) Adjustment for Common Stock Dividends and Distributions. If the Corporation makes (or fixes a record date for the determination of holders of Common Stock entitled to receive) a dividend or other distribution solely to the holders of Common Stock payable in Common Stock after the Original Issuance Date, the applicable Conversion Price then in effect shall be decreased as of the time of such issuance (or in the event such record date is fixed, as of the close of business on such record date) by multiplying the applicable Conversion Price then in effect by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Common Stock issuable in payment of such dividend or distribution.

(iii) Adjustments for Other Dividends. If the Corporation at any time, or from time to time after the Original Issuance Date, makes (or fixes a record date for the determination of holders of Common Stock entitled to receive) a dividend or other distribution payable in securities of the Corporation other than Common Stock, then, and in each such event, provision shall be made so that, upon conversion of any Series B Preferred Stock thereafter, the holder thereof shall receive, in addition to the number of Common Stock issuable thereon, the amount of securities of the Corporation which the holder of such Series B Preferred Stock would have received had the Series B Preferred Stock been converted into Common Stock immediately prior to such event, all subject to further adjustment as provided herein.

(g) Certificate as to Adjustment.

(i) Promptly following any adjustment of the Conversion Price, the Corporation shall furnish to each Holder at the address specified for such Holder in the books and records of the Corporation (or at such other address as may be provided to the Corporation in writing by such Holder, which may be an electronic mail address) a certificate of an officer of the Corporation setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(ii) As promptly as reasonably practicable following the receipt by the Corporation of a written request by any Holder, but in any event not later than thirty (30) days thereafter, the Corporation shall furnish to such Holder a certificate of an officer of the Corporation certifying the Conversion Price then in effect and the number of Conversion Shares or the amount, if any, of other shares of stock, securities or assets then issuable to such Holder upon conversion of the shares of Series B Preferred Stock held by such Holder.

(h) Notices. In the event that the Corporation shall take a record of the holders of its Common Stock (or other Capital Stock or securities at the time issuable upon conversion of the Series B Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, to vote at a meeting (or by written consent), to receive any right to subscribe for or purchase any shares of Capital Stock of any class or any other securities, or to receive any other security, then, unless the Corporation has previously publicly announced such information (including through filing such information with the SEC), the Corporation shall send or cause to be sent to each at the address specified for such Holder in the books and records of the Corporation (or at such other address as may be provided to the Corporation in writing by such Holder, which may be an electronic mail address) at least ten (10) calendar days prior to the applicable record date, the record date for such dividend, distribution, meeting or consent or other right or action, and a description of such dividend, distribution or other right or action to be taken at such meeting or by written consent.

SECTION 9. Reorganization Events.

(a) In the case of:

(i) any recapitalization, reclassification or change of the Common Stock (other than changes resulting from a subdivision or combination),

(ii) any consolidation, merger, combination or similar transaction involving the Corporation,

(iii) any sale, lease or other transfer to a third party of the consolidated assets of the Corporation and the Corporation's Subsidiaries substantially as an entirety or

(iv) any statutory share exchange,

in each case, as a result of which the Common Stock would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof) (any such event, a "Reorganization Event"), then, at and after the effective time of such Reorganization Event, the right to convert each share of Series B Preferred Stock at the Conversion Rate shall be changed into a right to convert such share into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of shares of Common Stock equal to the Conversion Rate immediately prior to such Reorganization Event would have owned or been entitled to receive (the "Reference Property," with each "unit of Reference Property" meaning the kind and amount of Reference Property that a holder of one share of Common Stock is entitled to receive) upon such Reorganization Event; *provided*, *however*, that at and after the effective time of the Reorganization Event (A) any amount payable in cash upon redemption, conversion, or repurchase of the Series B Preferred Stock in accordance with the provisions hereof this Certificate of Designations shall continue to be payable in cash as determined pursuant to the applicable provisions hereof, (B) any shares of Common Stock that the Corporation would have been required to deliver upon redemption, conversion, or repurchase of the Series B Preferred Stock in accordance with the applicable provisions hereof, shall instead be deliverable in the amount and type of Reference Property that a holder of that number of shares of Common Stock would have been entitled to receive in such Reorganization Event.

(b) If the Reorganization Event causes the Common Stock to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), then (i) the Reference Property into which the Series B Preferred Stock will be convertible or with which the Corporation may satisfy its obligation with respect to any Redemption Price, shall be deemed to be (x) the weighted average of the types and amounts of consideration received by the holders of Common Stock that affirmatively make such an election or (y) if no holders of Common Stock affirmatively make such an election, the types and amounts of consideration actually received by the holders of Common Stock, and (ii) the unit of Reference Property for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one share of Common Stock. If the holders of the Common Stock receive only cash in such Reorganization Event, then for all conversions for which the relevant Conversion Date occurs after the effective date of such Reorganization Event (A) the consideration due upon conversion of share of Series B Preferred Stock shall be solely cash in an amount equal to the greater of (x) the Liquidation Preference per share and (y) the Conversion Rate in effect on the Conversion Date, *multiplied by* the price paid per share of Common Stock in such Reorganization Event and (B) the Corporation shall satisfy the Conversion Obligation by paying cash to converting Holders on the third Business Day immediately following the relevant Conversion Date. The Corporation shall notify Holders of such weighted average as soon as practicable after such determination is made.

(c) The above provisions of this Section shall similarly apply to successive Reorganization Events and the provisions of this Section shall apply to any Reference Property.

(d) The Corporation (or any successor thereto) shall, as soon as reasonably practicable (but in any event within 20 calendar days) after the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence and of the kind and amount of the stock, other securities, other property or assets that constitute the Reference Property. Failure to deliver such notice shall not affect the operation of this Section 9.

(e) The Corporation shall not enter into or consummate any transaction or become a party to any agreement, in each case, with respect to any transaction that would constitute a Reorganization Event unless its terms are consistent with the provisions of Section 9(a).

SECTION 10. Status of Shares. Shares of Series B Preferred Stock that have been issued and reacquired in any manner, whether by redemption, repurchase or otherwise, shall thereupon be retired and shall have the status of authorized and unissued shares of preferred stock of the Corporation undesignated as to series, and may be redesignated as any series of preferred stock of the Corporation and reissued.

SECTION 11. No Sinking Fund. Shares of Series B Preferred Stock shall not be subject to or entitled to the operation of a retirement or sinking fund.

SECTION 12. Taxes; Transfer Taxes. The Corporation shall pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series B Preferred Stock or other securities issued on account of Series B Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series B Preferred Stock or other securities in a name other than the name in which the shares of Series B Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment, unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable. All payments and distributions (or deemed distributions) on the shares of Series B Preferred Stock shall be subject to withholding and backup withholding of taxes to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by the Holders.

SECTION 13. Notices. Any notices, consents, waivers or other communications required or permitted to be given must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) or electronic mail (provided that such sent email is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's email server that such e-mail could not be delivered to such recipient); or (iii) one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses, facsimile numbers and e-mail addresses for such communications shall be (a) if to the Corporation, to its office at 25 Hendrix Road, West Henrietta, New York 14586, Telephone: 585-359-5900, Attention: General Counsel, E-Mail: Legal@vuzix.com; (b) if to any Holder, at such address specified for such Holder in the books and records of the Corporation (or at such other address as may be provided to the Corporation in writing by such Holder, which may be an electronic mail address); or (c) to such other address as the Corporation or any such Holder, as the case may be, shall have designated by notice similarly given.

SECTION 14. Facts Ascertainable. When the terms of this Certificate of Designations refer to a specific agreement or other document to determine the meaning or operation of a provision hereof, the Secretary of the Corporation shall maintain a copy of such agreement or document at the principal executive offices of the Corporation and a copy thereof shall be provided free of charge to any Holder who makes a request therefor. The Secretary of the Corporation shall also maintain a written record of the Original Issuance Date, the number of shares of Series B Preferred Stock issued to a Holder and shall furnish such written record free of charge to any Holder who makes a request therefor.

SECTION 15. Waiver. Notwithstanding any provision in this Certificate of Designations to the contrary, any provision contained herein and any right of the Holders of Series B Preferred Stock granted hereunder may be waived as to all shares of Series B Preferred Stock (and the Holders thereof) upon the written consent of the Super Majority Holders.

SECTION 16. Severability. If any term of the Series B Preferred Stock set forth herein is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other terms set forth herein, which can be given effect without the invalid, unlawful or unenforceable term will, nevertheless, remain in full force and effect, and no term herein set forth will be deemed dependent upon any other such term, unless so expressed herein.

SECTION 17. No Preemptive Rights. The Holders shall have no preemptive or preferential rights to purchase or subscribe for any stock, obligations, warrants or other securities of the Corporation of any class or series.

SECTION 18. No Other Rights. The Series B Preferred Stock will have no rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, except as provided in this Certificate of Designations or the Certificate of Incorporation or as provided by applicable law.

SECTION 19. Stock Certificates.

(a) Shares of Series B Preferred Stock shall, if expressly requested by the Holder, initially be represented by stock certificates, and shall otherwise be issued in book entry form.

(b) Stock certificates representing shares of the Series B Preferred Stock shall be signed by officers of the Company in accordance with the Bylaws and applicable Delaware law, by manual or facsimile signature.

SECTION 20. Replacement Certificates. If physical certificates are issued, and any of the Series B Preferred Stock certificates shall be mutilated, lost, stolen or destroyed, the Corporation shall, at the expense of the Holder, issue, in exchange and in substitution for and upon cancellation of the mutilated Series B Preferred Stock certificate, or in lieu of and substitution for the Series B Preferred Stock certificate lost, stolen or destroyed, a new Series B Preferred Stock certificate of like tenor and representing an equivalent Liquidation Preference of shares of Series B Preferred Stock, but only upon receipt of evidence of such loss, theft or destruction of such Series B Preferred Stock certificate and indemnity, if requested, reasonably satisfactory to the Corporation.

SECTION 21. Rule 144A. At any time the Corporation is not subject to the reporting requirements under Section 13 or 15(d) of the Exchange Act, the Corporation shall, upon written request, furnish to any Holder, beneficial owner or prospective purchaser of the Series B Preferred Stock, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933, as amended (the "Securities Act"), to facilitate the resale of such Series B Preferred Stock pursuant to Rule 144A under the Securities Act. The Corporation shall take such further action as any such beneficial owner may reasonably request to the extent required from time to time to enable such beneficial Holder to sell such Series B Preferred Stock in accordance with Rule 144A under the Securities Act, as such rule may be amended from time to time.

SECTION 22. Miscellaneous. The Liquidation Preference and the Dividend Amount each shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the Series B Preferred Stock. Such adjustments shall be determined in good faith by the Corporation.

[Signature page follows.]

IN WITNESS WHEREOF the undersigned has signed this Certificate of Designation this 3rd day of September, 2024.

Vuzix Corporation

By: /s/ Paul Travers
Name: Paul Travers
Title: Chief Executive Officer

Exhibit 10.1

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED.

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (the "**Agreement**"), dated as of September 3, 2024, is by and among **Vuzix Corporation**, a Delaware corporation (the "**Company**"), and Quanta Computer Inc., a Taiwan corporation (the "**Buyer**", collectively with the Company, each a "**Party**" and together the "**Parties**").

RECITALS

A. Subject to the terms and conditions set forth in this Agreement, the Company desires to issue and sell to the Buyer, and the Buyer desires to purchase from the Company, shares of the common stock of the Company, par value $0.001 per share (the "**Common Stock**") and shares of the series B preferred stock of the Company, par value $0.001 per share (the "**Series B Preferred Stock**"), issued hereunder and having the rights, preferences and privileges set forth in the Certificate of Designations in the form of Exhibit A hereto (the "**Certificate of Designations**"). Each share of Series B Preferred Stock shall be initially convertible into ten (10) shares of Common Stock pursuant to the terms and conditions set forth in the Certificate of Designations, subject to any further adjustment(s) set forth therein.

B. The Buyer is agreeing to purchase, and the Company is agreeing to sell, upon the terms and subject to the conditions stated in this Agreement, (i) at the First Closing (as defined below), the First Closing Shares (as defined below), (ii) at the Second Closing (as defined below), the Second Closing Shares (as defined below), and (iii) at the Third Closing (as defined below), the Third Closing Shares (as defined below), in no event will the aggregate Common Stock and Series B Preferred Stock (on an as-converted basis) held by the Buyer (and its Affiliates, if applicable) exceed 19.2% of total issued and outstanding shares or voting power of the Company at the date of each Closing on an as-converted basis (the "**Maximum Share Limitation**") (provided that, any shares held by Buyer (or its Affiliates, if applicable) but not purchased from the Company under this Agreement (including, without limitation, any shares purchased in the open market) will be excluded from the calculation of such ownership for purposes of the Maximum Share Limitation). "**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 (as defined below).

C. The offer and sale of the Shares issuable hereunder will be made in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and the rules and regulations promulgated thereunder, or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to any or all of the transactions to be made hereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Buyer hereby agree as follows:

1. PURCHASE AND SALE OF SHARES.

(a) Purchase of Shares; Closings.

(i) First Closing. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 4 and 5 below, and subject to the Maximum Share Limitation, the Company shall issue and sell to the Buyer, and the Buyer shall purchase from the Company at the First Closing (as defined below) the number of Common Stock equal to the aggregate Purchase Price (as defined below) of the First Closing divided by the Per Share Purchase Price (as defined below) of the First Closing (the "**First Closing Shares**"). The closing (the "**First Closing**") of the purchase of the First Closing Shares by the Buyer shall occur on the fifteen (15th) Business Day after the conditions to the First Closing set forth in Sections 4 and 5 below are satisfied or waived (or such other date as is mutually agreed to by the Company and the Buyer). As used herein "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York or Taiwan are authorized or required by law to remain closed.

(ii) Second Closing. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 4 and 5 below, and subject to the Maximum Share Limitation, the Company shall issue and sell to the Buyer, and the Buyer agrees to purchase from the Company at the Second Closing (as defined below) the number of Series B Preferred Stock equal to the aggregate Purchase Price (as defined below) of the Second Closing divided by the Per Share Purchase Price (as defined below) of the Second Closing (the "**Second Closing Shares**"). The closing (the "**Second Closing**") of the purchase of the Second Closing Shares by the Buyer shall occur on the fifteen (15th) Business Day after the conditions to the Second Closing set forth in Sections 4 and 5 below are satisfied or waived (or such other date as is mutually agreed to by the Company and the Buyer).

(iii) Third Closing. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 4 and 5 below, and subject to the Maximum Share Limitation, the Company shall issue and sell to the Buyer, and the Buyer agrees to purchase from the Company at the Third Closing (as defined below) the number of Series B Preferred Stock equal to the Purchase Price (as defined below) of the Third Closing divided by the Per Share Purchase Price (as defined below) of the Third Closing (the "**Third Closing Shares**", together with First Closing Shares and Second Closing Shares, the "**Shares**"). The closing (the "**Third Closing**") of the purchase of the Third Closing Shares by the Buyer shall occur on the fifteen (15th) Business Day after the conditions to the Third Closing set forth in Sections 4 and 5 below are satisfied or waived (or such other date as is mutually agreed to by the Company and the Buyer).

The First Closing, the Second Closing and the Third Closing is each referred to herein as a "**Closing**," and the date of each Closing is referred to herein as a "**Closing Date**."

(b) Purchase Price. The purchase price per Share for the Shares to be purchased by the Buyer at each Closing (the "**Per Share Purchase Price**") shall be, (i) with respect to the First Closing, $1.30, (ii) with respect to the Second Closing, the result of (A) the volume-weighted average sale price of the Common Stock on the Principal Market as reported by, or based upon data reported by, Bloomberg during the thirty (30) Trading Days before the date on which the conditions to the Second Closing set forth in Sections 4 and 5 below are satisfied or waived (or such other date as is mutually agreed to by the Company and the Buyer) or $1.30, whichever is higher, multiplied by (B) ten (10) and (iii) with respect to the Third Closing, the result of (A) the volume-weighted average sale price of the Common Stock on the Principal Market reported by, or based upon data reported by, Bloomberg during the thirty (30) Trading Days before the date on which the conditions to the Third Closing set forth in Sections 4 and 5 below are satisfied or waived (or such other date as is mutually agreed to by the Company and the Buyer) or $1.30, whichever is higher, multiplied by (B) ten (10). "**Trading Day**" means

a day on which the Principal Market (as defined below) is open for trading. The Per Share Purchase Price shall be automatically adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions that occur with respect to the share capital of the Company after the date of this Agreement. The aggregate purchase price payable by the Buyer (the "**Purchase Price**" of such Closing) shall be (i) $10,000,000 for the First Closing, (ii) $5,000,000 for the Second Closing and (iii) $5,000,000 for the Third Closing, in each case subject to the Capital Cap (as defined below) for such Closing. In the event that the Purchase Price for any Closing exceeds the Capital Cap for such Closing as a result of a decrease of total issued and outstanding shares or voting power of the Company, such Purchase Price shall be reduced to the Capital Cap for such Closing. "**Capital Cap**" of each Closing means the result of the Per Share Purchase Price of such Closing*multiplied by* the maximum number of Common Stock (in the case of First Closing) or Series B Preferred Stock (in the case of Second Closing and Third Closing) to be issued to the Buyer that would result in the Buyer (and its Affiliates, if applicable) meeting the Maximum Share Limitation after such issuance (considering the shareholding of the Buyer at the time).

(c) Form of Payment and Delivery. On the applicable Closing Date, (i) the Buyer shall pay the Purchase Price of such Closing to the Company for the Shares to be issued and sold to the Buyer at the applicable Closing, by wire transfer of immediately available funds and (ii) the Company shall (a) deliver, or cause the Company's transfer agent to deliver, the First Closing Shares, registered in the name of the Buyer (or an Affiliate of the Buyer as designated by the Buyer in writing) with the Company's transfer agent in book entry form, dated as of the First Closing Date, free and clear of all Liens (as defined below), (b) deliver, or cause the Company's transfer agent to deliver, a copy of the records of the transfer agent showing the Buyer (or an Affiliate of the Buyer as designated by the Buyer in writing) as the registered owner of the First Closing Shares as of the First Closing Date, (c) deliver, or cause to be delivered to the Buyer (or an Affiliate of the Buyer as designated by the Buyer in writing), one or more certificates evidencing the Second Closing Shares and Third Closing Shares, as applicable, registered in the name of the Buyer (or an Affiliate of the Buyer as designated by the Buyer in writing) as of the applicable Closing Date, and (d) evidence of the filing and acceptance of the Certificate of Designations by the Secretary of State of the State of Delaware.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

The Buyer represents and warrants to the Company that, as of the date hereof and as of each Closing Date:

(a) Organization; Authority. The Buyer is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by this Agreement to which it is a party and otherwise to carry out its obligations hereunder.

(b) No Public Sale or Distribution. The Buyer is acquiring its Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the Securities Act; provided, however, by making the representations herein, the Buyer does not agree, or make any representation or warranty, to hold any of the Shares for any minimum or other specific term and reserves the right to dispose of the Shares at any time in accordance with or pursuant to a registration statement or an exemption from registration under the Securities Act. The Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Shares in violation of applicable securities laws. For purposes of this Agreement, "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any Governmental Entity or any department or agency thereof.

(c) Accredited Investor Status. The Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act "Regulation D".

(d) Reliance on Exemptions. The Buyer understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Shares.

(e) Information. The Buyer and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Shares that have been requested by the Buyer. The Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by the Buyer or its advisors, if any, or its representatives shall modify, amend or affect the Buyer's right to rely on the Company's representations and warranties contained herein. The Buyer understands that its investment in the Shares involves a high degree of risk. The Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Shares.

(f) No Governmental Review. The Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Shares or the fairness or suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

(g) Transfer or Resale. The Buyer understands that: (i) the Shares (and the shares of Common Stock issuable upon conversion of the Series B Preferred Stock) have not been registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, or (B) pursuant to an exemption from such registration.

(h) Validity; Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Buyer and shall constitute the legal, valid and binding obligations of the Buyer enforceable against the Buyer in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by the Buyer of this Agreement and the consummation by the Buyer of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of the Buyer, or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to the Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Buyer to perform its obligations hereunder.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyer that, as of the date hereof and as of each Closing Date:

(a) Organization and Qualification. Each of the Company and each of its Subsidiaries are entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed, and have the requisite power and authority to own their properties and to carry on their business as now being conducted and as presently proposed to be conducted. Each of the Company and each of its Subsidiaries is duly qualified to do business in all material aspects and is in good standing in all material aspects in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary. As used in this Agreement, "**Subsidiaries**" means any Person in which the Company, directly or indirectly, (I) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person, and each of the foregoing, is individually referred to herein as a "**Subsidiary**."

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and to issue the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock in accordance with the terms hereof. The execution and delivery of this Agreement by the Company, and the consummation by the Company of the transactions contemplated hereby (including, without limitation, the issuance of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock) have been duly authorized by the Company's board of directors (the "**Board**") or other governing body, as applicable, and other than any required filings with the SEC, and any other filings as may be required by the Principal Market or any state securities agencies, no further filing, consent or authorization is required by the Company, its Subsidiaries, their respective boards of directors or their stockholders or other governing body in connection therewith. This Agreement has been duly executed and delivered by the Company, and constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law.

(c) Issuance of Shares. The issuance of the Shares is, and the Common Stock issuable upon conversion of the Series B Preferred Stock will be, duly authorized and upon issuance in accordance with the terms of this Agreement the Shares will be validly issued, fully paid and non-assessable and free from all preemptive, cosale, right of first refusal or similar rights, mortgages, defects, claims, liens, pledges, charges, taxes, rights of first refusal, encumbrances, security interests and other encumbrances (collectively "**Liens**") with respect to the issuance thereof. All corporate action required to be taken for the authorization, issuance and sale of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock has been duly and validly taken. The Shares when issued, and the shares of Common Stock issuable upon conversion of the Series B Preferred Stock, if and when issued, will have the terms and conditions and entitle the holders thereof to the rights set forth in the Certificate of Incorporation (as defined below), as amended by the Certificate of Designations. The maximum number of Common Stock initially issuable upon conversion of the Series B Preferred Stock have been duly reserved for such issuance.

(d) No Conflicts. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby (including, without limitation, the issuance of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock) will not (i) result in a violation of the Certificate of Incorporation of the Company, as amended (including, without limitation, any certificate of designation contained therein) (the "**Certificate of Incorporation**"), the bylaws of the Company, as amended (the "**Bylaws**"), certificate of formation, memorandum of association, articles of association, bylaws or other organizational documents of the Company, or any capital stock or other securities of the Company, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or (iii) to the Company's knowledge, result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, foreign, federal and state securities laws and regulations and the rules and regulations of the Nasdaq Capital Market (the "**Principal Market**") and including all applicable foreign, federal and state laws, rules and regulations) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected.

(e) Consents. The Company is not required to obtain any consent, approval, authorization or order of, or make any declaration, filing or registration with (other than any required filings with the SEC or the Principal Market, and any other filings as may be required by any state securities agencies), any Governmental Entity (as defined below) or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by this Agreement in accordance with the terms hereof. All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been or will be obtained or effected on or prior to each Closing Date, and the Company is not aware of any facts or circumstances which might prevent the Company from obtaining or affecting any of the registration, application or filings contemplated by this Agreement. The Company is not in violation of the requirements of the Principal Market and has no knowledge of any facts or circumstances which could reasonably lead to delisting or suspension of the Common Stock in the foreseeable future. "**Governmental Entity**" means any nation, state, county, city, town, village, district, or other political jurisdiction of any nature, federal, state, local, municipal, foreign, or other government, governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), multi-national organization or body; or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature or instrumentality of any of the foregoing, including any entity or enterprise owned or controlled by a government or a public international organization or any of the foregoing.

(f) No General Solicitation; Placement Agent's Fees. Neither the Company, nor any of its Subsidiaries or Affiliates, nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Shares. There are no placement agent's fees, financial advisory fees, or brokers' commissions that will be payable by the Company or any or its Subsidiaries or Affiliates relating to or arising out of the transactions contemplated hereby, in connection with the sale of the Shares. The Company shall pay, and hold the Buyer harmless against, any liability, loss or expense (including, without limitation, attorney's fees and out-of-pocket expenses) arising in connection with any such claim. Neither the Company nor any of its Subsidiaries has engaged any placement agent or other agent in connection with the offer or sale of the Shares.

(g) No Integrated Offering. None of the Company, its Subsidiaries or any of their Affiliates, nor any Person acting on 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 require registration of the issuance of any of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock under the Securities Act, whether through integration with prior offerings or otherwise. None of the Company, its Subsidiaries, their Affiliates nor any Person acting on their behalf will take any action or steps that would require registration of the issuance of any of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock under the Securities Act, cause the offering of any of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock to be integrated with other offerings of securities of the Company or cause this offering of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock to require approval of stockholders of the Company for purposes of the Securities Act or under any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation.

(h) Application of Takeover Protections. The Company and the Board have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), stockholder rights plan or other similar anti-takeover provision under the Articles of Incorporation, Bylaws or other organizational documents or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to the Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock and the Buyer's ownership of the Shares and the Common Stock issuable upon conversion of the Series B Preferred Stock. The Company and the Board have taken all necessary action, if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of shares of Common Stock or Series B Preferred Stock or a change in control of the Company or any of its Subsidiaries.

(i) SEC Documents; Financial Statements. The Company has timely filed all reports, schedules, forms, proxy statements, statements and other documents required to be filed by it with Securities and Exchange Commission (the "**Commission**") pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") in the past 36 months (all of the foregoing filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**") or has received a valid extension of such time of filing and has filed any such SEC Documents prior to the expiration of any such extension. None of the SEC Documents, at the time they were filed with the SEC, 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. As of their respective dates, except as otherwise disclosed in the SEC Documents, the financial statements of the Company included in the SEC Documents complied in all material respects with applicable accounting requirements and the published rules and regulations of the Commission with respect thereto as in effect as of the time of filing. Such financial statements, when filed with the SEC, will have been prepared in accordance with Generally Accepted Accounting Principles ("**GAAP**"), consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). The reserves, if any, established by the Company or the lack of reserves, if applicable, are reasonable based upon facts and circumstances known by the Company on the date hereof and there are no loss contingencies that are required to be accrued by the Statement of Financial Accounting Standard No. 5 of the Financial Accounting Standards Board which are not provided for by the Company in its financial statements or otherwise. No other information provided by or on behalf of the Company to the Buyer which is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made. The Company is not currently contemplating to amend or restate any of the financial statements (including, without limitation, any notes or any letter of the independent accountants of the Company with respect thereto) included in the SEC Documents (the "**Financial Statements**"), nor is the Company currently aware of facts or circumstances which would require the Company to amend or restate any of the Financial Statements, in each case, in order for any of the Financials Statements to be in compliance with GAAP and the rules and regulations of the SEC. The Company has not been informed by its independent accountants that they recommend that the Company amend or restate any of the Financial Statements or that there is any need for the Company to amend or restate any of the Financial Statements. The accountants who certified the Financial Statements are independent public accountants as required by the Securities Act and the Exchange Act and the regulations thereunder and the Public Company Accounting Oversight Board.

(j) Absence of Certain Changes. Since June 30, 2024, except as disclosed in the SEC Documents, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries. Except for the transactions contemplated by this Agreement, no event, liability or development, other than events, liabilities and developments in the ordinary course of business, has occurred or exists with respect to the Company or its business, properties, operations or financial conditions that would be required to be disclosed by the Company under applicable securities laws at the date hereof that has not been publicly disclosed at least one (1) Business Day prior to the date hereof. Since June 30, 2024, except as disclosed in the SEC Documents, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, outside of the ordinary course of business or (iii) made any capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at each Closing, will not be Insolvent (as defined below). For purposes of this Section 3(l), "**Insolvent**" means, (i) with respect to the Company and its Subsidiaries, on a consolidated basis, (A) the present fair saleable value of the Company's and its Subsidiaries' assets is less than the amount required to pay the Company's and its Subsidiaries' total Indebtedness (as defined below), (B) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature; and (ii) with respect to the Company and each Subsidiary, individually, (A) the present fair saleable value of the Company's or such Subsidiary's (as the case may be) assets is less than the amount required to pay its respective total Indebtedness, (B) the Company or such Subsidiary (as the case may be) is unable to pay its respective debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company or such Subsidiary (as the case may be) intends to incur or believes that it will incur debts that would be beyond its respective ability to pay as such debts mature. Neither the Company nor any of its Subsidiaries has engaged in any business or in any transaction, and is not about to engage in any business or in any transaction, for which the Company's or such Subsidiary's remaining assets constitute unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted. "Indebtedness" means (x) any indebtedness or other obligation for borrowed money, whether current, short-term or long-term and whether secured or unsecured; (y) any indebtedness evidenced by any note, bond, debenture or other security or similar instrument; (z) any liabilities with respect to interest rate or currency swaps, collars, caps and similar hedging obligations; (xx) any liabilities in respect of any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which liabilities are required to be classified and accounted for under GAAP as capital leases; (yy) any liabilities under any performance bond or letter of credit or any bank overdrafts and similar charges; (zz) any accrued interest, premiums, penalties and other obligations relating to the foregoing items in clauses (x) through (yy); and (xxx) any indebtedness referred to in clauses (x) through (zz) above of any Person that is either guaranteed (including under any "keep well" or similar arrangement) by, or secured (including under any letter of credit, banker's acceptance or similar credit transaction) by any Lien upon any property or asset owned by, the Company or any of its Subsidiaries.

(k) Conduct of Business; Regulatory Permits. Neither the Company nor any of its Subsidiaries is in violation of any term of or in default under its Articles of Incorporation, any certificate of designation, preferences or rights of any outstanding series of preferred stock of the Company or any of its Subsidiaries or Bylaws or their organizational charter, certificate of formation, memorandum of association, articles of association, Articles of Incorporation or certificate of incorporation or bylaws, respectively. Neither the Company nor any of its Subsidiaries is in violation of any transnational, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule (including stock exchange rules), regulation, order, injunction, judgment, decree, ruling or other similar requirement applicable to the Company or any of its Subsidiaries in any material manner, and neither the Company nor any of its Subsidiaries will conduct its business in violation of any of the foregoing in all material aspects. The Subsidiaries of the Company are as disclosed in the SEC Documents. Without limiting the generality of the foregoing, as of each Closing Date, the Company is not in violation of any of the rules, regulations or requirements of the Principal Market and has no knowledge of any facts or circumstances that could reasonably lead to delisting or suspension of the Common Stock by the Principal Market in the foreseeable future. As of each Closing Date, (i) the

Common Stock has been listed or designated for quotation on the Principal Market, (ii) trading in the Common Stock has not been suspended by the Commission or the Principal Market and (iii) the Company has received no communication, written or oral, from the Commission or the Principal Market regarding the suspension or delisting of the Common Stock from the Principal Market. The Company and each of its Subsidiaries possess all material certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit. There is no agreement, commitment, judgment, injunction, order or decree binding upon the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries is a party which has or would reasonably be expected to have the effect of prohibiting or materially impairing any business practice of the Company or any of its Subsidiaries, any acquisition of property by the Company or any of its Subsidiaries or the conduct of business by the Company or any of its Subsidiaries as currently conducted. None of the Company and any of its Subsidiaries is a "TID U.S. business," as defined in 31 CFR § 800.248.

(l) Equity Capitalization.

(i) Authorized and Outstanding Capital Stock. As of the date hereof, the authorized capital stock of the Company consists of (A) 100,000,000 shares of Common Stock, of which, 65,965,431 shares are issued and outstanding and 10,895,058 shares are reserved for issuance pursuant to Convertible Securities (as defined below) exercisable or exchangeable for, or convertible into, shares of Common Stock and (B) 5,000,000 shares of preferred stock, 49,626 of which have been designated series A preferred stock, 0 of which are issued and outstanding and 800,000 shares of which have been designated Series B Preferred Stock, 0 which are currently issued and outstanding. 579,682 shares of Common Stock are held in the treasury of the Company. "**Convertible Securities**" means any capital stock or other security of the Company or any of its Subsidiaries 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 capital stock or other security of the Company (including, without limitation, Common Stock) or any of its Subsidiaries.

(ii) Valid Issuance. All of such outstanding shares are duly authorized and have been, or upon issuance will be, validly issued and are fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and were not issued in violation of or subject to any preemptive right or other rights to subscribe for or purchase securities. Except as disclosed in the SEC Documents and this Section 3(l), there are no existing options, warrants, calls, subscriptions or other rights, agreements, arrangements or commitments of any character, relating to the issued or unissued capital stock of the Company, obligating the Company to issue, transfer, sell, redeem, purchase, repurchase or otherwise acquire or cause to be issued, transferred, sold, redeemed, purchased, repurchased or otherwise acquired any capital stock or voting debt of, or other equity interest in, the Company or securities or rights convertible into or exchangeable for such shares or equity interests or obligations of the Company to grant, extend or enter into any such option, warrant, call, subscription or other right, agreement, arrangement or commitment.

(m) Investment Company Status. The Company is not, and upon consummation of the sale of the Shares will not be or be required to register as, an "investment company," an Affiliate of an "investment company," a company controlled by an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(n) Taxes. The Company has, in all material respects, filed on a timely basis (giving effect to extensions) all required federal, state and foreign income and franchise tax returns and have timely paid or accrued all taxes shown as due thereon, including interest and penalties and, to the knowledge of the Company, there is no tax deficiency that has been or might be asserted or threatened against it or them in any material respects. All tax liabilities accrued through the date hereof have been adequately provided for on the books of the Company. There are no Liens for material taxes upon the assets of the Company other than for current taxes not yet due and payable or for taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP has been made in the Company's most recent Financial Statements included in the SEC Documents. On each Closing Date, all stock transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance, sale and transfer of the Shares to be sold to the Buyer and issuance of the Common Stock issuable upon conversion of the Series B Preferred Stock hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied.

(o) No Registration. Assuming the accuracy of the Buyer's representations and warranties set forth in Section 2, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Buyer or issuance of the Common Stock issuable upon conversion of the Series B Preferred Stock as contemplated hereby. Other than the Buyer pursuant to the Registration Rights Agreement, 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, except for such rights as have been duly waived or complied with.

(p) Litigation. Except as disclosed in the SEC Documents, there are no material legal or governmental actions, suits or other proceedings pending or, to the knowledge of the Company, threatened against the Company, before or by any court, regulatory body or administrative agency or any other governmental agency or body, domestic or foreign. The Company is not a party to or subject to the provisions of any material injunction, judgment, decree or order of any court, regulatory body, administrative agency or other governmental agency or body.

(q) No "Bad Actor" Disqualification. No Disqualification Event described in Rule 506(d)(1)(i)-(viii) promulgated under the Securities Act is applicable to the Company, or any Company Covered Person (as defined below) for purposes of Rule 506(d) under the Securities Act, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. "**Company Covered Person**" means, with respect to the Company as an "issuer" for purposes of Rule 506 promulgated under the Securities Act, any person listed in the first paragraph of Rule 506(d)(1).

(r) Price of Common Stock. The Company has not taken, and will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or that might reasonably be expected to constitute, the stabilization or manipulation of the price of the shares of the Common Stock to facilitate the sale or resale of the Shares, provided that, for the avoidance of doubt, this representation will not be deemed to be breached by any release by the Company of press releases in the ordinary course of business consistent with past practice.

(s) Employee Relations. No material labor dispute with the employees of the Company, or with the employees of any principal supplier, manufacturer, customer or contractor of the Company, exists or, to the Company's knowledge, is threatened or imminent. No executive officer of the Company (as defined in Rule 501(f) promulgated under the Securities Act) has notified the Company that such officer intends to leave the Company or otherwise terminate such officer's employment with the Company. To the knowledge of the Company, no executive officer of the Company is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other agreement or any restrictive covenant involving or otherwise affecting such executive

officer's relationship with the Company, and the continued employment of each such executive officer does not subject the Company to any material liability with respect to any of the foregoing matters.

(t) ERISA. The Company is in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("**ERISA**"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company would have any material liability; the Company has not incurred or expects to incur material liability under (a) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (b) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "**Code**"); and each "Pension Plan" for which the Company would have liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and to the knowledge of the Company, nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(u) Internal Control over Financial Reporting; Disclosure Controls. The Company maintains internal control over financial reporting (as such term is defined in paragraph (f) of Rule 13a-15 under the Exchange Act) that are designed to comply with the requirements of Rule 13a-15 under the Exchange Act. Since the end of the Company's most recent audited fiscal year, except as disclosed in the SEC Documents, there has been no material weakness in the design or operation of the Company's internal control over financial reporting (whether or not remediated) which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information. Since the end of the period covered by the most recently filed periodic report under the Exchange Act, 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 adversely affected, or is reasonably likely to materially adversely affect, the internal control over financial reporting of the Company and its Subsidiaries, except for remediation in material weakness disclosed in the Company's Form 10-K for the year ending December 31, 2023. The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and its Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Commission.

(v) Principal Market Compliance. The Common Stock is registered pursuant to Section 12(b) 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 Commission is contemplating terminating such registration. The Company has not, in the previous twelve (12) months, received (a) written notice from the Principal Market that the Company is not in compliance with the listing or maintenance requirements of the Principal Market that would result in immediate delisting or (b) any notification, Staff Delisting Determination, or Public Reprimand Letter (as such terms are defined in applicable listing rules of the Principal Market) that requires a public announcement by the Company of any noncompliance or deficiency with respect to such listing or maintenance requirements. As of the date hereof and each Closing Date, (A) the Common Stock shall be designated for quotation or listed (as applicable) on the Principal Market, (B) the Common Stock shall not have been suspended by the Commission or the Principal Market from trading on the Principal Market and (C) trading of the Common Stock on the Principal Market shall not have been threatened to be suspended by the Commission or the Principal Market (including through a written notification from the Principal Market indicating that the closing bid price for Common Stock was below the minimum bid price), either (I) in writing by the Commission or the Principal Market or (II) by falling below the minimum maintenance requirements of the Principal Market, provided that, in the event the Company does not meet the minimum bid price requirement of the Principal Market, the representation specified in (C) will be deemed to be satisfied if, through Board approval of a reverse split of the Common Stock (subject to such additional steps, including shareholder approval, as may be required under applicable law to complete such reverse split), the Company has undertaken steps to regain compliance with such minimum bid price requirement. Subject to the foregoing, the Company is in compliance with all listing and maintenance requirements (without prejudice to the representation contained in other sentences of this Section 3(v), except the minimum bid price requirement) of the Principal Market on the date hereof.

(w) Compliance with Anti-Corruption Laws.

(i) None of the Company, nor any of its director, agent, employee or any other Person acting for or on behalf of the Company (together, the "**Covered Persons**"), has offered, promised, authorized or made, directly or indirectly, payments or other illegal inducements (regardless of form, whether in money, property or services) to any (A) Public Official or (B) any other Person with the knowledge that all or any portion of the money or thing of value will be offered or given to a Public Official, in each of the foregoing clauses (A) and (B) for the purpose of influencing any action or decision of the Public Official in his or her official capacity, including a decision to fail to perform his or her official duties, inducing the Public Official to use his or her influence with any governmental authority to affect or influence any official act, or otherwise obtaining an improper advantage, or (ii) to make or authorize any other Person to make any payments or transfers of value which have the purpose or effect of commercial bribery, or acceptance or acquiescence in kickbacks or other unlawful or improper means of obtaining or retaining business, in each case, in violation of applicable Anti-Corruption Laws. For purposes of the foregoing clauses (A) and (B), a Person shall be deemed to have "knowledge" with respect to conduct, circumstances or results if such Person is aware of (i) the existence of or (ii) a high probability of the existence of such conduct, circumstances or results. "**Public Official**" means any public or elected official or officer, employee (regardless of rank), or person acting in an official capacity on behalf of a national, provincial, or local government, including a department, agency, instrumentality, state-owned or state-controlled company, public international organization (such as the United Nations or World Bank), or non-U.S. political party, non-U.S. party official or any candidate for political office. Officers, employees (regardless of rank), or persons acting on behalf of an entity that is directly financed in large measure through public appropriations or has its key officers and directors appointed by a government should also be considered "Public Officials." "**Anti-Corruption Laws**" means all applicable laws relating to anti-bribery, anti-corruption, record keeping and internal control, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act of 2010, as amended, the relevant provisions of the Criminal Law of the PRC effective on October 1, 1997, as amended, the PRC Anti-Unfair Competition Law effective on December 1, 1993, as amended, the Provisional Regulation on Anti-Commercial Bribery effective on November 15, 1996, as amended, and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), as amended.

(ii) The Company has adequate internal controls to ensure compliance by each Covered Person with all Anti-Corruption Laws, and have instituted and maintain policies and procedures reasonably designed, together, (i) to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith, (ii) to maintain books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, and (iii) to provide reasonable assurances that all transactions and access to assets of the Company were, have been and are executed only in accordance with management's general or specific authorization.

(iii) No Covered Person has been the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body or any customer regarding any offence under any Anti-Corruption Laws, and no such investigation, inquiry or enforcement proceedings is pending or, to the best knowledge of the Company, threatened.

(x) Compliance with Anti-Money Laundering Laws. The operations of the Company are and have been conducted at all times in compliance in all material respects with all applicable Anti-Money Laundering Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened. The Company has

implemented and shall maintain internal controls, policies and procedures reasonably designed to ensure compliance by the Company with applicable Anti-Money Laundering Laws. "**Anti-Money Laundering Laws**" means, with respect to any Person, all financial recordkeeping and reporting requirements under the Applicable Laws relating to anti-money laundering and financing of terrorism, including those of the U.S. Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), as amended, and the applicable anti-money laundering statutes of jurisdictions where the Person conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency.

(y) Sanctions and Export Control Compliance.

(i) None of the Company, or any of its director, officer, or employee, or, to the knowledge of the Company, any agent, Affiliate or representative of the Company, is a Sanctioned Person. "**Sanctioned Person**" means any Person (a) with whom dealings are restricted, prohibited, or sanctionable under any Sanctions, including as a result of that Person's: (1) being named on any list of Persons subject to Sanctions, (2) being located, organized, or resident in, or directly or indirectly owned or controlled by the government of, any Sanctioned Territory, or (3) having any direct or indirect relationship of ownership, control, or agency with, or any direct or indirect commercial dealings with, a Person described in (1) or (2) or (b) who is subject to restrictions under any Export Control Laws that are not generally applicable to Persons located in the same jurisdiction, including by reason of designation on a list of restricted Persons (such as the United States Entity List, Unverified List, or Denied Persons List), status of the Person (such as a Military End User under United States Export Control Laws), a relationship of ownership, control, or agency with any of the foregoing, or otherwise. "**Sanctioned Territory**" means any country or territory with which dealings are broadly and comprehensively prohibited by any country-wide or territory-wide Sanctions (as of the date hereof, Crimea, the so-called Donetsk People's Republic and Luhansk People's Republic, Cuba, Iran, North Korea, and Syria). "**Export Control Laws**" means all laws relating to the import, export, re-export, or transfer of information, data, goods, and technology, including the Export Administration Regulations administered by the U.S. Department of Commerce, the International Traffic in Arms Regulations administered by the U.S. Department of State, and similar laws of the PRC, the United Kingdom, and the European Union. "**Sanctions**" means all national and supranational laws, regulations, decrees, orders, or other acts with force of law of the United States, the United Kingdom, the European Union, or the PRC, or United Nations Security Council resolutions, concerning trade and economic sanctions including embargoes; the freezing or blocking of assets of targeted Persons; or other restrictions on investment, payments, or other transactions targeted at particular Persons or countries, including any laws threatening to impose such trade and economic sanctions on any Person for engaging in proscribed or targeted behavior.

(ii) The Company is, and for the past five (5) years has been, in compliance with applicable Sanctions and Export Control Laws in all material respects, and is engaged in, or has in the past five (5) years been engaged in, any Sanctionable Activity. The Company has not been penalized for, threatened in writing to be charged with, given written notice of, or to the knowledge of the Company, is or has been under investigation by a governmental authority with respect to, any violation of any Sanctions or Export Control Laws. "**Sanctionable Activity**" means any condition or activity that a reasonable person knowledgeable about the relevant Sanctions regime would conclude is specifically identified under Sanctions as constituting a basis for the imposition of Sanctions against a person engaged in such activity or described by such condition.

(iii) The Company has implemented and will maintain internal controls, policies and procedures reasonably designed to ensure compliance by the Company and its directors, officers, employees, agents, Affiliates, and representatives with applicable Sanctions and Export Control Laws.

(iv) The Company has not in the past five (5) years engaged in, are not now engaged in, and will not engage in, any dealings or transactions in, with, or relating to any Sanctioned Person or Sanctioned Territory, except any such transaction or dealing as (1) is permitted under the laws and (2) does not constitute Sanctionable Activity.

(z) Cybersecurity. The Company and its Subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "**IT Systems**") are adequate for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its Subsidiaries as currently conducted, and, to the Company's knowledge, are free and clear of all material Trojan horses, time bombs, malware and other malicious code. The Company and its Subsidiaries have implemented and maintained commercially reasonable physical, technical and administrative controls designed to maintain and protect the confidentiality, integrity, availability, privacy and security of all sensitive, confidential or regulated data (" **Confidential Data**") used or maintained in connection with their businesses and Personal Data (defined below), and the integrity, availability continuous operation, redundancy and security of all IT Systems. "**Personal Data**" means the following data used in connection with the Company's and its Subsidiaries' businesses and in their possession or control: (i) a natural person's name, street address, telephone number, e-mail address, photograph, social security number or other tax identification number, driver's license number, passport number, credit card number, bank information, or customer or account number; (ii) information that identifies, relates to, or may reasonably be used to identify an individual; (iii) any information regarding an individual's medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional; (iv) an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history; (v) any information which would qualify as "protected health information" under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (collectively, " **HIPAA**"); (vi) any information which would qualify as "personal data," "personal information" (or similar term) under the Privacy Laws (as defined below); and (vii) any other piece of information that alone, or combined with other information, allows the identification of such natural person, or his or her family, or permits the collection or analysis of any data related to an identified person's health or sexual orientation. To the Company's knowledge, there have been no material breaches, outages or unauthorized uses of or accesses to the Company's IT Systems, Confidential Data, and Personal Data. The Company and its Subsidiaries are presently, and at all prior times were, in material compliance with all applicable laws or statutes and all judgments and orders binding on the Company, applicable binding rules and regulations of any court or arbitrator or governmental or regulatory authority, and their internal policies and contractual obligations, each relating to the Processing (as defined below), privacy and security of Personal Data and Confidential Data, the privacy and security of IT Systems and the protection of such IT Systems, Confidential Data, and Personal Data from unauthorized use, access, misappropriation or modification.

(aa) Compliance with Data Privacy Laws. The Company and its Subsidiaries are, and at all prior times were, in material compliance with all applicable state and federal data privacy and security laws and regulations regarding the collection, use, storage, retention, disclosure, transfer, disposal, or any other processing (collectively "**Process**" or "**Processing**") of Personal Data, including HIPAA, the California Consumer Privacy Act, and the European Union General Data Protection Regulation (EU 2016/679) (collectively, the "**Privacy Laws**"). To ensure compliance with the Privacy Laws, the Company and its Subsidiaries have in place, comply with, and take all appropriate steps necessary to ensure compliance in all material respects with their policies and procedures relating to data privacy and security, and the Processing of Personal Data and Confidential Data (the "**Privacy Statements**"). The Company and its Subsidiaries have, at all times since inception provided accurate notice of its Privacy Statements

then in effect to its customers, employees, third party vendors and representatives in all material respects. None of such disclosures made or contained in any Privacy Statements have been materially inaccurate, misleading, incomplete, or in material violation of any Privacy Laws. The Company further certifies that neither it nor any of its Subsidiaries (a) has received notice of any actual or potential claim, complaint, proceeding, regulatory proceeding or liability under or relating to, or actual or potential violation of, any of the Privacy Laws, contracts related to the Processing of Personal Data or Confidential Data, or Privacy Statements, and has no knowledge of any event or condition that would reasonably be expected to result in any such notice, (b) is currently conducting or paying for, in whole or in part, any investigation, remediation, or other corrective action pursuant to any Privacy Law or contract, or (c) is a party to any order, decree, or agreement that imposes any obligation or liability under any Privacy Law.

(bb) Transactions With Affiliates and Employees. None of the officers or directors of the Company or any of its Subsidiaries and, to the knowledge of the Company, none of the employees of the Company or any of its Subsidiaries is presently a party to any transaction with the Company or any of its Subsidiaries (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 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 (a) payment of salary, bonus, consulting fees or other compensation for services rendered, (b) reimbursement for expenses incurred on behalf of the Company, and (c) other employee benefits, including incentive award agreements under any incentive award plan of the Company.

4. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Shares to the Buyer at each Closing is subject to the satisfaction, at or before the applicable Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing the Buyer with prior written notice thereof:

(i) The Buyer shall have executed the Registration Rights Agreement in the form attached hereto as Exhibit B (the "**Registration Rights Agreement**") and delivered the same to the Company.

(ii) The Buyer shall have delivered to the Company the Purchase Price for such Closing by wire transfer of immediately available funds.

(iii) The representations and warranties of the Buyer contained herein shall be true and correct in all material respects as of the date when made and as of such Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date), and the Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to such Closing Date.

5. CONDITIONS TO THE BUYER'S OBLIGATION TO PURCHASE.

(a) The obligation of the Buyer hereunder to purchase the First Closing Shares at the First Closing is subject to the satisfaction, at or before the First Closing Date, unless otherwise noted below, of each of the following conditions, provided that these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Parties shall have obtained any and all approvals, consents, decisions, clearances and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, all permits, authorizations, approvals, consents or decisions of any Governmental Entity or regulatory body;

(ii) The Company shall have duly executed and delivered to the Buyer the Registration Rights Agreement;

(iii) The representations and warranties of the Company contained herein shall be true and correct as of the date when made and as of each Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to such Closing Date. The Buyer shall have received a certificate, duly executed by the Chief Executive Officer of the Company, dated as of such Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer;

(iv) The Company shall have delivered to the Buyer a certificate evidencing the formation and good standing of the Company in its jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction of formation dated as of a date within ten (10) days prior to such Closing Date;

(v) As of the First Closing Date, (A) the Common Stock shall be designated for quotation or listed (as applicable) on the Principal Market, (B) the Common Stock shall not have been suspended by the Commission or the Principal Market from trading on the Principal Market and (C) trading of the Common Stock on the Principal Market shall not have been threatened to be suspended by the Commission or the Principal Market (including through a written notification from the Principal Market indicating that the closing bid price for Common Stock was below the minimum bid price), either (I) in writing by the Commission or the Principal Market or (II) by falling below the minimum maintenance requirements of the Principal Market, provided that, in the event the Company does not meet the minimum bid price requirement of the Principal Market, the condition specified in (C) will be deemed to be satisfied if, through Board approval of a reverse split of the Common Stock (subject to such additional steps, including shareholder approval, as may be required under applicable law to complete such reverse split), the Company has undertaken steps to regain compliance with such minimum bid price requirement;

(vi) The Buyer shall have received a letter on the letterhead of the Company, duly executed by the Chief Executive Officer of the Company, setting forth the wire transfer instructions of the Company;

(vii) The Company shall have delivered to the Buyer the legal opinion of Sichenzia Ross Ference Carmel LLP, dated as of such Closing Date with respect to matters customary for a private placement of this type, which form shall be reasonably agreed upon with the Buyer;

(viii) Since the date hereof, no event or series of events shall have occurred that has had or would reasonably be expected to have a Material Adverse Effect. As used in this Agreement, "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any Subsidiary, individually or taken as a whole, (ii) the transactions contemplated hereby or any other agreements or instruments to be entered into in connection herewith or (iii) the authority or ability of the Company or any of its Subsidiaries to perform any of their respective obligations under this Agreement; and

(ix) the Company shall have adopted and filed with the Secretary of State of the State of Delaware the Certificate of Designations in the form of Exhibit A, and the Certificate of Designations shall have become effective as an amendment to the Certificate of Incorporation.

(b) The obligation of the Buyer hereunder to purchase its Second Closing Shares at the Second Closing is subject to the satisfaction of the following conditions, provided that these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Parties shall have obtained any and all approvals, consents, decisions, clearances and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, all permits, authorizations, approvals, consents or decisions of any Governmental Entity or regulatory body;

(ii) The First Closing shall have occurred;

(iii) The representations and warranties of the Company contained herein shall be true and correct as of the date when made and as of each Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to such Closing Date. The Buyer shall have received a certificate, duly executed by the Chief Executive Officer of the Company, dated as of such Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer;

(iv) The Company shall have delivered to the Buyer a certificate evidencing the formation and good standing of the Company in its jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction of formation dated as of a date within ten (10) days prior to such Closing Date;

(v) As of the Second Closing Date, (A) the Common Stock shall be designated for quotation or listed (as applicable) on the Principal Market, (B) the Common Stock shall not have been suspended by the Commission or the Principal Market from trading on the Principal Market and (C) trading of the Common Stock on the Principal Market shall not have been threatened to be suspended by the Commission or the Principal Market (including through a written notification from the Principal Market indicating that the closing bid price for Common Stock was below the minimum bid price), either (I) in writing by the Commission or the Principal Market or (II) by falling below the minimum maintenance requirements of the Principal Market, provided that, in the event the Company does not meet the minimum bid price requirement of the Principal Market, the condition specified in (C) will be deemed to be satisfied if, through Board approval of a reverse split of the Common Stock (subject to such additional steps, including shareholder approval, as may be required under applicable law to complete such reverse split), the Company has undertaken steps to regain compliance with such minimum bid price requirement;;

(vi) The Waveguide Plate Production Capacity Rate (as defined in Exhibit C) at the Company's Rochester waveguide plant can be reasonably demonstrated to reach at least [**] per annum on a Sampled run-rate basis (as defined in Exhibit C) with Yield Rates (as defined in Exhibit C), based on Waveguide Specification (as provided in Exhibit C), of [**] subject to Buyer receiving proof reasonably acceptable to it and being offered reasonable access for inspection; The waveguide specification may be amended by mutual agreement of the Parties from time to time;

(vii) The Company shall have delivered to the Buyer the legal opinion of Sichenzia Ross Ference Carmel LLP, dated as of such Closing Date in customary form and substance to be reasonably agreed upon with the Buyer;

(viii) Since the date hereof, no event or series of events shall have occurred that has had or would reasonably be expected to have a Material Adverse Effect;

(ix) The aggregate issued and outstanding shares of Series B Preferred Stock (on an as-converted basis) and Common Stock held by the Buyer immediately following the Second Closing shall not exceed the Maximum Share Limitation; and

(x) The Company has submitted a Listing of Additional Shares Notification Form to Nasdaq with respect to the shares of Common Stock that are required to be initially reserved for issuance pursuant to Section 6(h) with respect to Second Closing Shares, and Nasdaq has not raised any objection with respect to such form.

(c) The obligation of the Buyer hereunder to purchase its Third Closing Shares at the Third Closing is subject to the satisfaction of the following conditions, provided that these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Parties shall have obtained any and all approvals, consents, decisions, clearances and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, all permits, authorizations, approvals, consents or decisions of any Governmental Entity or regulatory body;

(ii) The Second Closing shall have occurred;

(iii) The representations and warranties of the Company contained herein shall be true and correct as of the date when made and as of each Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to such Closing Date. The Buyer shall have received a certificate, duly executed by the Chief Executive Officer of the Company, dated as of such Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer;

(iv) The Company shall have delivered to the Buyer a certificate evidencing the formation and good standing of the Company in its jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction of formation dated as of a date within ten (10) days prior to such Closing Date;

(v) As of the Third Closing Date, (A) the Common Stock shall be designated for quotation or listed (as applicable) on the Principal Market, (B) the Common Stock shall not have been suspended by the Commission or the Principal Market from trading on the Principal Market and (C) trading of the Common Stock on the Principal Market shall not have been threatened to be suspended by the Commission or the Principal Market (including through a written notification from the Principal Market indicating that the closing bid price for Common Stock was below the minimum bid price), either (I) in writing by the Commission or the Principal Market or (II) by falling below the minimum maintenance requirements of the Principal Market, provided that, in the event the Company does not meet the minimum bid

price requirement of the Principal Market, the condition specified in (C) will be deemed to be satisfied if, through Board approval of a reverse split of the Common Stock (subject to such additional steps, including shareholder approval, as may be required under applicable law to complete such reverse split), the Company has undertaken steps to regain compliance with such minimum bid price requirement;

(vi) The Waveguide Plate Production Capacity Rate at the Company's Rochester waveguide plant can be reasonably demonstrated to reach or exceed [**] units per annum on a Sampled run-rate basis with Yield Rates, based on Waveguide Specification, of [**], subject to Buyer receiving proof reasonably acceptable to it and being offered reasonable access for inspection;

(vii) The Company shall have delivered to the Buyer the legal opinion of Sichenzia Ross Ference Carmel LLP, dated as of such Closing Date in customary form and substance to be reasonably agreed upon with the Buyer;

(viii) Since the date hereof, no event or series of events shall have occurred that has had or would reasonably be expected to have a Material Adverse Effect;

(ix) The aggregate issued and outstanding shares of Series B Preferred Stock (on an as-converted basis) and Common Stock held by the Buyer immediately following the Third Closing shall not exceed the Maximum Share Limitation; and

(x) The Company has submitted a Listing of Additional Shares Notification Form to Nasdaq with respect to the shares of Common Stock that are required to be initially reserved for issuance pursuant to Section 6(h) with respect to Third Closing Shares, and Nasdaq has not raised any objection with respect to such form.

6. COVENANTS

(a) Use of Proceeds. The Company shall use no less than $3,000,000 from the sale of the Shares for collaboration on Consumer and Enterprise new generation product development associated with smart glasses for each Party's needs and third-party consumers utilizing waveguides of the Company.

(b) 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 of the Securities Act) that would be integrated with the offer or sale of the Shares in a manner that would require the registration under the Securities Act of the sale of the Shares or that would be integrated with the offer or sale of the Shares 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.

(c) Legend Removal. In connection with any sale, assignment, transfer or other disposition of the Shares of Common Stock (and shares issued upon conversion of the Series B Preferred Stock) by the Buyer pursuant to Rule 144 or pursuant to any other exemption under the Securities Act such that the purchaser acquires freely tradable shares and upon compliance by the Buyer with the requirements of this Agreement, if requested by the Buyer by notice to the Company, the Company shall request, and take all commercially reasonable steps to facilitate, the transfer agent of the Company (the "**Transfer Agent**") to remove any restrictive legends related to the book entry account holding such shares and make a new, unlegended entry for such book entry shares sold or disposed of without restrictive legends within two (2) Business Days of any such request therefor from such Buyer, provided that the Company has timely received from the Buyer customary representations and other documentation reasonably acceptable to the Company in connection therewith. The Company shall be responsible for the fees of its Transfer Agent, its legal counsel and all DTC fees associated with such legend removal. Subject to receipt from the Buyer by the Company and the Transfer Agent of customary representations and other documentation reasonably acceptable to the Company and the Transfer Agent in connection therewith, upon the earliest of such time as the Shares (i) have been registered under the Securities Act pursuant to an effective registration statement, (ii) have been sold pursuant to Rule 144, or (iii) are eligible for resale without volume limitations under Rule 144(b)(1) or any successor provision, the Company shall, in accordance with the provisions of this Section 6(c) and within two (2) Business Days of any request therefor from the Buyer accompanied by such customary and reasonably acceptable documentation referred to above, (A) deliver to the Transfer Agent irrevocable instructions that the Transfer Agent shall make a new, unlegended entry for such book entry shares, and (B) cause its counsel to deliver to the Transfer Agent one or more opinions to the effect that the removal of such legends in such circumstances may be effected under the Securities Act if required by the Transfer Agent to effect the removal of the legend in accordance with the provisions of this Agreement. With respect to clause (i), while the registration statement is effective, the Company shall cause its counsel, or counsel acceptable to the Transfer Agent, to issue to the Transfer Agent a "blanket" legal opinion to allow the legend on the Shares to be removed upon resale of such shares pursuant to the effective registration statement in accordance with this Section 6(c). Upon request, the Company shall provide the Buyer with contact information for the person responsible for the Company's account at the Transfer Agent to facilitate transfers made pursuant to this Section 6(c). Any Shares subject to legend removal under this Section 6(c) may be transmitted by the Transfer Agent to the Buyer by crediting the account of the Buyer's prime broker with the DTC System as directed by the Buyer. The Company shall be responsible for the fees of its Transfer Agent, its legal counsel and all DTC fees associated with such issuance.

(d) Disclosure of Transactions. The Company shall, within the time period required under the Exchange Act, file with the Commission a Current Report on Form 8-K (the "**Disclosure Document**") disclosing all material terms of the transactions contemplated by this Agreement and the Registration Rights Agreement and including this Agreement and the Registration Rights Agreement as exhibits to such Current Report on Form 8-K. Upon the filing of the Disclosure Document, to the knowledge of the Company, the Buyer shall be in no possession of any material, non-public information received from the Company or any of its officers, directors, or employees or agents, that is not disclosed in the Disclosure Document unless otherwise specifically agreed in writing by the Buyer. Notwithstanding anything in this Agreement to the contrary, the Company shall not, without the prior written consent of the Buyer, publicly disclose the name of the Buyer or any of its Affiliates or advisers, or include the name of the Buyer or any of its Affiliates or advisers in (i) marketing materials or (ii) any filing with the Commission or any regulatory agency, except with respect to clause (ii) as required by the federal securities law including without limitation, in connection with (A) any registration statement contemplated by the Registration Rights Agreement and (B) the Disclosure Document, including without limitation, the filing of this Agreement and the Registration Rights Agreement (including signature pages thereto) with the Commission or pursuant to other routine proceedings of regulatory authorities or to the extent such disclosure is required by law, at the request of the staff of the Commission or regulatory agency or under the regulations of the Principal Market, in which case, with respect to the Disclosure Document, the Company will provide the Buyer with prior written notice (including by e-mail) and opportunity to review such disclosure under this clause (ii).

(e) Material Non-Public Information. The Company has not provided the Buyer with any information that will constitute material non-public information, except insofar as the existence, provisions and terms of the Agreement and other transaction documents and the proposed transactions hereunder may constitute such information. From

and after the issuance of the Disclosure Document as set forth in Section 6(d), the Company represents to the Buyer that it shall have publicly disclosed all material, non-public information delivered to the Buyer by the Company or any of its officers, directors, employees or agents in connection with the transactions contemplated by this Agreement. The Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide the Buyer or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information without the Buyer's consent. To the extent that the Company delivers any material, non-public information to the Buyer without the Buyer's consent, the Company hereby covenants, or to the extent that any notice provided pursuant to this Agreement constitutes, or contains, material, non-public information regarding the Company, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Company understands and confirms that the Buyer and its Affiliates will rely on the foregoing representations in effecting transactions in securities of the Company.

(f) Indemnification. Subject to the provisions of this Section 6(f) and Section 7, the Company agrees to indemnify and hold harmless the Buyer and its Affiliates, and the Buyer's and its Affiliates' respective directors, officers, trustees, members, managers, employees and agents, from and against any and all losses, claims, damages, liabilities and out-of-pocket expenses, including reasonable and documented attorney fees and disbursements and other documented out-of-pocket expenses reasonably incurred in connection with investigating, preparing or defending any action, claim or proceeding, pending or threatened and the costs of enforcement thereof (collectively, "**Losses**"), to which such Person may become subject as a result of or relating to any breach of representation or warranty, covenant or agreement made by or to be performed on the part of the Company under this Agreement, and will reimburse any such Person for all such amounts as they are incurred by such Person.

(g) Listing Status. For as long as the Buyer holds any Shares, the Company shall take all necessary actions to cause the Common Stock to remain listed or designated for quotation on the Principal Market and trading in the Common Stock not to be suspended by the Commission or the Principal Market, including considering all available options to comply with the continued listing standards of the Principal Market, including, but not limited to, a reverse stock split, subject to stockholder approval.

(h) Conversion Shares. The Company will reserve and keep available at all times, free of preemptive or similar rights, shares of Common Stock as required pursuant to Section 8 of the Certificate of Designations.

(i) Joint Voluntary Notification.

The Parties agree to consult and determine in good faith as expeditiously as possible whether a Joint Voluntary Notice("**JVN**") or short-form Declaration ("Declaration") of the transactions contemplated by this Agreement to CFIUS under the DPA is desirable and should be filed. If either Party determines in its sole discretion that such a JVN or Declaration should be filed, the Parties shall use commercially reasonable efforts to (i) take the CFIUS Filing Actions and the CFIUS Cooperation Actions, (ii) respond as promptly as practicable, and no later than the deadline specified by CFIUS for such a response, to any information request from CFIUS in connection with the CFIUS assessment, review or investigation of the transactions contemplated by this Agreement, and (iii) obtain the CFIUS Clearance as promptly as practicable, provided that for the avoidance of doubt, commercially reasonable efforts under clauses (i) to (iii) shall not require either Party to accept any proposed mitigation agreement that would have an adverse economic impact on such Party.

For the purpose of this Agreement, "**CFIUS**" means the Committee on Foreign Investment in the United States or any successor entity, and any member agency thereof acting in such capacity. "**CFIUS Clearance**" means the Parties shall have received (a) a written notice issued by CFIUS stating that CFIUS has concluded that the transactions contemplated by this Agreement is not a "covered transaction" and not subject to review under applicable law, (b) a written notice issued by CFIUS that it has determined that there are no unresolved national security concerns with respect to the transactions contemplated by this Agreement, and has concluded all actions under the DPA or (c) either (i) the President of the United States shall have determined not to use his powers pursuant to the DPA to unwind, suspend, condition or prohibit the consummation of the transactions contemplated by this Agreement or (ii) the period allotted for presidential action under the DPA shall have passed without any determination by the President. "**CFIUS Cooperation Actions**" shall mean each Party to this Agreement shall promptly inform the other, unless prohibited by applicable law, of any communication from CFIUS or its member agencies regarding any of the transactions contemplated by this Agreement in connection with any CFIUS filing. In connection with and without limiting the foregoing, to the extent reasonably practicable and unless prohibited by applicable law, each Party shall (i) give each other reasonable advance notice of all meetings with CFIUS or its member agencies relating to the transaction contemplated hereby, (ii) give each other an opportunity to participate in each of such meetings, (iii) keep such other Party reasonably apprised with respect to any oral communications with CFIUS regarding the transaction contemplated hereby, (iv) cooperate in the filing of any joint CFIUS notice and any presentations related thereto, (v) provide each other with a reasonable advance opportunity to review and comment upon, and consider in good faith the views of the other with respect to, all written communications with CFIUS, except for those that may include confidential business information or involve personal identifier information and (vi) provide each other (or counsel of each Party, as appropriate) with copies of all written communications to or from CFIUS, except for those excluded above. Any such disclosures, rights to participate or provisions of information by one Party to the other may be made on a counsel-only basis to the extent required under applicable law or as appropriate to protect confidential business information. "**CFIUS Filing Actions**" shall mean the Parties to this Agreement submit or cause to be submitted (i) a voluntary notice of the transaction to CFIUS within the meaning of 31 C.F.R. §800.402 to obtain a CFIUS Clearance, and (ii) as soon as possible (and in any event in accordance with pertinent regulatory requirements) any other submissions that are formally requested by CFIUS to be made, or which the Parties mutually agree should be made, in each case in connection with this Agreement and the transaction contemplated hereby. "**DPA**" shall mean Section 721 of the U.S. Defense Production Act of 1950, as amended, including the implementing regulations thereof, codified at 31 C.F.R. Parts 800 and 801.

7. TERMINATION.

(a) This Agreement shall terminate at any time prior to the Third Closing (i) by mutual written agreement of the Company and the Buyer, (ii) by either Party, if the Second Closing has not occurred within twelve (12) months after the date of this Agreement and (iii) by either Party, if the Third Closing has not occurred within eighteen (18) months after the date of this Agreement; provided that a Party in material breach of this Agreement shall not be permitted to terminate pursuant to this Section.

(b) If this Agreement is terminated as permitted by Section 7(a), such termination shall be without liability of either Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to the other Parties to this Agreement; provided that if such termination shall result from the (i) willful failure of either Party to fulfill a condition to the performance of the obligations of the other Party, (ii) failure to perform a covenant of this Agreement or (iii) breach by either Party of any representation or warranty or agreement contained herein, such Party shall be fully liable for any and all Losses incurred or suffered by the other Party as a result of such failure or breach excluding any shareholder, director, officer, employee, agent, consultant or representative of such Party. The provisions of this Section 7 and Section 8 shall survive any termination hereof. Notwithstanding anything to the contrary, if this Agreement is terminated pursuant to Section 7(a) after any Closing, the provisions hereof relating to such Closing, including the rights provided in Registration Rights Agreement, shall survive such termination.

8. MISCELLANEOUS.

(a) Governing Law; Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive

jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby, 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. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such 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 manner permitted by law.

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which 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. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. 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 Agreement instead of just the provision in which they are found.

(d) Severability. If any provision of this Agreement 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 Agreement so long as this Agreement 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).

(e) Entire Agreement; Amendments. This Agreement and the schedules and Exhibits attached hereto and thereto and the instruments referenced herein supersede all other prior oral or written agreements between the Buyer, the Company, its Subsidiaries, their Affiliates and Persons acting on their behalf, and the other matters contained herein and therein, and this Agreement, the schedules and Exhibits attached hereto and the instruments referenced herein contain the entire understanding of the parties solely with respect to the matters covered herein and therein; provided, however, nothing contained in this Agreement shall (or shall be deemed to) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries, or any rights of or benefits to the Buyer or any other Person, in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and the Buyer, or any instruments the Buyer received from the Company and/or any of its Subsidiaries prior to the date hereof, and all such agreements and instruments shall continue in full force and effect. Except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Buyer. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) or electronic mail (provided that such sent email is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's email server that such e-mail could not be delivered to such recipient); or (iii) one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses, facsimile numbers and e-mail addresses for such communications shall be:

If to the Company:

Vuzix Corporation
25 Hendrix Road
West Henrietta, New York 14586
Telephone: 585-359-5900
Attention: General Counsel
E-Mail: Legal@vuzix.com

With a copy (for informational purposes only) to:

Sichenzia Ross Ference Carmel LLP
1185 Avenue of the Americas, 31st Floor
New York, NY 10036
Telephone: (212) 930-9700
Facsimile: (212) 930-9725
Attention: Gregory Sichenzia, Esq.
E-Mail: gsichenzia@srfc.law

If to the Buyer:

Quanta Computer Inc.
211, Wen Hwa 2nd Rd., Kueishan
Taoyuan 33377, Taiwan
Telephone:
Attention:
E-Mail:

with a copy (for informational purposes only) to:

Davis Polk & Wardwell LLP
Address: 10th Floor, The Hong Kong Club Building
3A Chater Road, Hong Kong
Attention: James C. Lin
E-Mail: james.lin@davispolk.com

or to such other address, e-mail address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or e-mail containing the time, date, recipient facsimile number and, with respect to each facsimile transmission, an image of the first page of such transmission or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Neither the Company nor the Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party; provided that the Buyer may, without the prior consent of the Company, assign any of its rights hereunder (including right to purchase the Shares) to any of its Affiliates but no such assignment shall relieve the Buyer from its obligations or liability pursuant to this Agreement unless otherwise specifically agreed to by the Company.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

(i) Survival. The representations, warranties, agreements and covenants shall survive each Closing.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, shares of Common Stock or Series B Preferred Stock and any other numbers in this Agreement that relate to the Common Stock or Series B Preferred Stock shall be automatically adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions that occur with respect to the share capital of the Company after the date of this Agreement. Notwithstanding anything in this Agreement to the contrary, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty against, or a prohibition of, any actions with respect to the borrowing of, arrangement to borrow, identification of the availability of, and/or securing of, securities of the Company in order for the Buyer (or its broker or other financial representative) to effect short sales or similar transactions in the future.

[signature pages follow]

IN WITNESS WHEREOF, the Buyer and the Company have caused their respective signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

VUZIX CORPORATION

By: /s/ Paul Travers
Name: Paul Travers
Title: Chief Executive Officer

BUYER:

QUANTA COMPUTER INC.

By: /s/ C. C. Leung
Name: C. C. Leung
Title: Vice Chairman

Exhibit A
Certificate of Designations of Series B Preferred Stock

Exhibit B
Registration Rights Agreement

Exhibit C

The term "**Waveguide Plate Production Capacity Rate**" is intended to mean [**]

Exhibit 10.2

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made as of September 3, 2024 by and among Vuzix Corporation, a Delaware corporation (the "Company"), and Quanta Computer Inc., a Taiwan corporation (the "Purchaser").

RECITALS

WHEREAS, the Company and the Purchaser are parties to a Securities Purchase Agreement, dated as of September 3, 2024 (as amended from time to time, the "Purchase Agreement"), pursuant to which the Purchaser is purchasing (i) shares of Common Stock (as defined below) and (ii) shares of Series B Preferred Stock (as defined below) 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 rights to the Purchaser as set forth below.

NOW, THEREFORE, in consideration of the covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Certain Definitions.

Unless the context otherwise requires, the following terms, for all purposes of this Agreement, shall have the meanings specified in this Section 1. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement.

"Agreement" has the meaning set forth in the recitals.

"Allowed Delay" has the meaning set forth in Section 2.1(b)(ii).

"Board" means the board of directors of the Company.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York or Taiwan are authorized or required by law to remain closed.

"Common Stock" means shares of the common stock of the Company, par value $0.001 per share.

"Company" has the meaning set forth in the recitals

"Effectiveness Deadline" means, with respect to the Shelf Registration Statement or New Registration Statement, the sixtieth (60th) calendar day following the First Closing Date (or, in the event the SEC reviews and has comments to the Shelf Registration Statement or the New Registration Statement, the ninetieth (90th) calendar day following the First Closing Date); provided, however, that if the Company is notified by the SEC (either orally or in writing, whichever is earlier) that the Shelf Registration Statement or the New Registration Statement will not be reviewed or is no longer subject to further review and comments, the Effectiveness Deadline as to such Shelf Registration Statement shall be the fifth (5th) Business Day following the date on which the Company is so notified if such date precedes the dates otherwise required above; provided, further, that if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the SEC is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the SEC is open for business; provided, further, that if the SEC is closed for operations due to a government shutdown or lapse in appropriations, the Effectiveness Deadline shall be extended by the same amount of days that the SEC remains closed for operations.

"Effectiveness Period" has the meaning set forth in Section 2.1(b)(i).

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

"Filing Deadline" means forty-five (45) days following the First Closing Date, and, with respect to any additional Registration Statements which may be required pursuant to Section 2.3(p), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities.

"FINRA" means the Financial Industry Regulatory Authority.

"Form S-3" means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

"Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of Registrable Securities.

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

"Losses" has the meaning set forth in Section 2.5(a).

"New Registration Statement" has the meaning set forth in Section 2.1(a).

"Participating Holder" means with respect to any registration, any Holder of Registrable Securities covered by the applicable Registration Statement.

"Prospectus" means the prospectus included in any Registration Statement (including a prospectus that discloses information previously omitted from a prospectus filed as part of an effective Shelf Registration Statement in reliance upon Rule 430A or Rule 430B promulgated under the Securities Act), all amendments and supplements to such prospectus, including pre- and post-effective amendments to such Registration Statement, and all other material incorporated by reference in such prospectus.

"Purchase Agreement" has the meaning set forth in the recitals.

"Register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

"Registrable Securities" means (i) the Shares and (ii) any Common Stock issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, Shares. Notwithstanding the foregoing, Shares or any such Common Stock, as applicable, shall cease to be Registrable Securities for all purposes hereunder upon the earliest to occur of the following: (a) the sale by any Person of such Shares or any such Common Stock, as applicable, either pursuant to a registration statement under the Securities Act or under Rule 144 (or any similar provision then in effect) (in which case, only such Shares or any such Common Stock, as applicable, sold shall cease to be Registrable Securities), (b) such Shares shall have been otherwise transferred, new certificates (or book entry issuance, as applicable) for such Shares not bearing a legend restricting further transfer shall have been delivered by Company and subsequent public distribution of such Shares shall not require registration under the Securities Act, (c) such Shares cease to be outstanding, or (d) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

"Registration Statement" means any registration statement of the Company that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Remainder Registration Statement" has the meaning set forth in Section 2.1(a).

"Rule 144" means Rule 144 as promulgated by the SEC under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the SEC having substantially the same effect as such Rule.

"SEC" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"SEC Guidance" means any publicly-available written or oral guidance, comments, requirements or requests of the SEC staff under the Securities Act;provided, that any such oral guidance, comments, requirements or requests are reduced to writing by the SEC.

"Securities Act" means the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

"Series B Preferred Shares" means the shares of Series B Preferred Stock issued or issuable to the Purchaser and/or its Affiliates pursuant to the Purchase Agreement.

"Series B Preferred Stock" means the shares of the Series B Preferred Stock, par value $0.001 of the Company.

"Shares" means all of the (i) shares of Common Stock issued or issuable to the Purchaser and/or its Affiliates pursuant to the Purchase Agreement and (ii) shares of Common Stock issuable upon conversion of the Series B Preferred Shares.

"Shelf Registration Statement" has the meaning set forth in Section 2.1(a).

"Transaction Agreements" means this Agreement and the Purchase Agreement, all exhibits and schedules thereto and hereto and any other documents or agreement executed in connection with the transactions contemplated hereunder or thereunder.

2. Registration Rights.

2.1 Shelf Registration.

(a) Registration Statements. On or prior to the Filing Deadline, the Company shall use commercially reasonable efforts to prepare and file with the SEC a Registration Statement on Form S-3, subject to the provisions of Section 2.1(d), for the resale of all of the Registrable Securities pursuant to an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement"). Such Shelf Registration Statement shall include the aggregate amount of Registrable Securities to be registered therein and shall contain (except if otherwise required pursuant to written comments received from the SEC upon a review of such Shelf Registration Statement) the "Plan of Distribution" substantially in the form of Annex A (which may be modified to respond to comments, if any, provided by the SEC). To the extent the staff of the SEC does not permit all of the Registrable Securities to be registered on the Shelf Registration Statement filed pursuant to this Section 2.1(a) or for any other reason any Registrable Securities are not then included in a Registration Statement filed under this Agreement, the Company shall (i) inform each of the Participating Holders thereof and use its commercially reasonable efforts to file amendments to the Shelf Registration Statement as required by the SEC, and/or (ii) withdraw the Shelf Registration Statement and file a new registration statement (a "New Registration Statement"), in either case covering the maximum number of Registrable Securities permitted to be registered by the SEC, on Form S-3 or such other form available to register for resale the Registrable Securities as a secondary offering. Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation of the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering, 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 on a pro rata basis based on the total number of unregistered Shares held by such Holders. In the event the Company amends the Shelf Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the SEC, as promptly as allowed by the SEC or SEC Guidance provided to the Company or to registrants of securities in general, one or more Registration Statements on Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Shelf Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statement"). In no event shall any Participating Holder be identified as a statutory underwriter in the Registration Statement unless in response to a comment or request from the staff of the SEC or another regulatory agency; provided, however, that if the SEC requests that a Participating Holder be identified as a statutory underwriter in the Registration Statement, such Holder will have an opportunity to withdraw from the Registration Statement.

(b) Underwritten Offerings.

(i) So long as the Registration Statement remains in effect, each Participating Holder shall have the right at any time or from time to time to elect to sell Registrable Securities pursuant to an offering (including pursuant to an underwritten offering (an "Underwritten Offering")); provided, however, that the aggregate amount of Registrable Securities included in any such Underwritten Offering must be at least the lesser of the amount reasonably expected to result in gross proceeds of $five (5) million and the remainder of the Registrable Securities held by such Holder. The applicable Holders shall make such election by delivering to the Company a written request (a "Shelf Offering Request") for such offering specifying the number of Shelf Registrable Securities that such Holders desire to sell pursuant to such offering (the Shelf Offering"). The Company shall, as expeditiously as possible, use its commercially reasonable efforts to facilitate such Shelf Offering and shall pay all reasonable registration expenses in connection to the offering. The Company shall not be obligated to effect more than one (1) underwritten Shelf Offering in any six (6) month period under this Section 2.1(b) unless the Company otherwise consents. A Shelf Offering may be in the form of a block or bought trade (a "Block Trade"), including as an underwritten Block Trade so long as the Company is eligible to use a Form S-3 registration statement at the time of such Block Trade. Such Holders only need to notify the Company of the Block Trade five Business Days prior to the day such offering is to commence (unless a longer period is agreed to by Holders) and the Company shall as expeditiously as possible use its commercially reasonable efforts to facilitate such offering (which may close as early as two (2) Business Days after the date it commences); provided that Holders wishing to engage in the underwritten block trade shall use commercially reasonable efforts to work with the Company and the underwriters prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the underwritten Block Trade. Each Holder agrees that such Holder shall treat as confidential the receipt of the Shelf Offering notice and shall not disclose or use the information contained in such Shelf Offering notice without the prior written consent of the Company or until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the Holder in breach of the terms of this Agreement.

(ii) If any of the Registrable Securities covered by the Shelf Registration are to be sold pursuant to an Underwritten Offering, the managing underwriter or underwriters thereof shall be designated by the Participating Holders, provided that such designated managing underwriter or underwriters is or are reasonably acceptable to the Company.

(iii) The Company shall, at the request of Participating Holders covered by a Shelf Registration Statement, file any prospectus supplement or any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language deemed necessary or advisable by such Holders to effect such Shelf Offering.

(c) Effectiveness.

(i) The Company shall use commercially reasonable efforts to have the Shelf Registration Statement or New Registration Statement declared effective as soon as practicable but in no event later than the Effectiveness Deadline (including filing with the SEC a request for acceleration of effectiveness in accordance with Rule 461 promulgated under the Securities Act), and shall use its commercially reasonable efforts to keep the Shelf Registration Statement or New Registration Statement continuously effective under the Securities Act until the earlier of (A) such time as all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders, or (B) the date that all the Shares cease to be Registrable Securities (the "Effectiveness Period"); provided, that, the Company will not be obligated to update the Registration Statement and no sales may made under the applicable Registration Statement during any Allowed Delay (as defined below) of which the Holders have received notice. The Company shall notify the Participating Holders of the effectiveness of a Registration Statement by e-mail as promptly as practicable, and shall, if requested provide the Participating Holders with copies of the final Prospectus to be used in connection with the sale or other disposition of the securities covered thereby.

(ii) For not more than forty-five (45) consecutive days or for a total of not more than ninety (90) days, in each case in any twelve (12) month period, the Company may suspend the use of any Prospectus included in any Registration Statement contemplated by this Section 2 if (A) the negotiation or consummation of a transaction by the Company is pending or an event has occurred, which negotiation, consummation or event, the Board reasonably believes, upon the advice of legal counsel, would require additional disclosure by the Company in the Registration Statement of material information that the Company has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of the Board, upon the advice of legal counsel, to cause the Registration Statement to fail to comply with applicable disclosure requirements, or (B) the Company determines in good faith, upon advice of legal counsel, that such suspension is necessary to amend or supplement the Registration Statement or the related Prospectus so that such Registration Statement or Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus in light of the circumstances under which they were made, not misleading (an "Allowed Delay"); provided, that the Company shall promptly (1) notify each Participating Holder in writing of the commencement of an Allowed Delay, but shall not (without the prior written consent of a Participating Holder) disclose to such Participating Holder any material non-public information giving rise to an Allowed Delay, (2) advise the Participating Holders in writing to cease all sales under such Registration Statement until the end of the Allowed Delay and (3) use commercially reasonable efforts to terminate an Allowed Delay as promptly as practicable.

(d) In the event that Form S-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form reasonably acceptable to the Holders and (ii) undertake to register the Registrable Securities on Form S-3 promptly after such form is available; provided, that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the SEC.

(e) Liquidated Damages.

(i) Subject to Section 2.1(b)(ii), if a Registration Statement covering the Registrable Securities is not filed with the SEC on or prior to the Filing Deadline, the Company will make pro rata payments to each Holder then holding Registrable Securities, as liquidated damages and not as a penalty (the "Registration Liquidated Damages"), in an amount equal to one percent (1.0%) of the aggregate amount invested by such Holder for the initial day of failure to file such Registration Statement by the Filing Deadline and for each 30-day period (or pro rata portion thereof with respect to a final period, if any) thereafter during which no such Registration Statement is filed with respect to the Registrable Securities, provided that, in no event will the total Registration Liquidated Damages exceed 6% of the gross proceeds received by the Company under the Purchase Agreement. Such payments shall be made to each Holder then holding Registrable Securities in cash no later than ten (10) Business Days after the end of the date of the initial failure to file such Registration Statement by the Filing Deadline and each subsequent 30-day period (or portion thereof with respect to a final period, if any) thereafter until such Registration Statement is filed with respect to the Registrable Securities. Interest shall accrue at the rate of one percent (1.0%) per month on any such liquidated damages payments that shall not be paid by the applicable payment date until such amount is paid in full.

(ii) Subject to Section 2.1(b)(ii), if (1)(A) a Registration Statement covering the Registrable Securities is not declared effective by the SEC (x) prior to the earlier of five (5) Business Days after the SEC informs the Company that no review of such Registration Statement will be made or that the SEC has no further comments on such Registration Statement or (y) the Effectiveness Deadline or (B) after a Registration Statement has been declared effective by the SEC, such Registration Statement ceases for any reason (including, without limitation, by reason of a stop order, or the Company's failure to update the Registration Statement) to remain continuously effective as to sell all Registrable Securities for which it is required to be effective, (2) the Holders are not permitted to utilize the Prospectus therein to resell such Registrable Securities (other than during an Allowed Delay pursuant to Section 2.1(b)(ii)), (3) any Allowed Delay pursuant to Section 2.1(b)(ii) exceeds the permitted length set forth therein, or

(4) after the Filing Deadline, and only in the event a Registration Statement is not effective or available to sell all Registrable Securities, the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the Exchange Act such that it is not in compliance with Rule 144(c)(1), as a result of which holders who are not affiliates are unable to sell Registrable Securities without restriction under Rule 144 (each of (1) through (4), a "Maintenance Failure"), then in addition to any other rights the Purchaser may have hereunder or under applicable law, then the Company will make pro rata payments to each Holder then holding Registrable Securities, as liquidated damages and not as a penalty (the "Maintenance Liquidated Damages" and together with the Registration Liquidated Damages, the "Liquidated Damages"), in an amount equal to one percent (1.0%) of the aggregate amount invested by such Holder for the Registrable Securities then held by such Holder for each 30-day period (or pro rata portion thereof with respect to a final period, if any) thereafter until the Maintenance Failure is cured, provided that, in no event will the total Maintenance Liquidated Damages exceed 6% of the gross proceeds received by the Company under the Purchase Agreement. The Maintenance Liquidated Damages shall be paid monthly within ten (10) Business Days of the date of such Maintenance Failure and the end of each subsequent 30-day period (or portion thereof with respect to a final period, if any) thereafter until the Maintenance Failure is cured. Such payments shall be made to each Holder then holding Registrable Securities in cash. Interest shall accrue at the rate of one percent (1%) per month on any such liquidated damages payments that shall not be paid by the applicable payment date until such amount is paid in full.

2.2 Expenses. The Company will pay all expenses associated with each Registration Statement, including filing and printing fees, the Company's counsel and accounting fees and expenses, costs associated with clearing the Registrable Securities for sale under applicable state securities laws and listing fees, but excluding discounts, commissions, fees of underwriters, selling brokers, dealer managers or similar securities industry professionals with respect to the Registrable Securities being sold.

2.3 Company Obligations.In the case of the registration effected by the Company pursuant to this Agreement, the Company shall, upon reasonable request, inform the Holder as to the status of such registration. The Company will use commercially reasonable efforts to effect the registration of the Registrable Securities in accordance with the terms hereof and pursuant thereto, the Company will:

(a) prepare the required Registration Statement including all exhibits and financial statements required under the Securities Act to be filed therewith, and provide copies to and permit each Participating Holder to review each Registration Statement and all amendments and supplements thereto prior to their filing with the SEC and a reasonable opportunity to furnish comments thereon (it being acknowledged and agreed that if a Participating Holder does not object to or comment on the aforementioned documents, then the Participating Holder shall be deemed to have consented to and approved the use of such documents). The Purchaser and its counsel shall have at least five (5) Business Days prior to the anticipated filing date of a Registration Statement to review and comment upon such Registration Statement and any amendment or supplement to such Registration Statement and any related prospectus (including any documents incorporated by reference therein), prior to its filing with the SEC. The Company shall (a) use its reasonable best efforts to address in each such document prior to being so filed with the SEC such comments as the Purchaser or its counsel reasonably proposed by the Purchaser, and (b) not file any Registration Statement or related prospectus or any amendment or supplement thereto containing information regarding the Purchaser to which the Purchaser reasonably objects, unless such information is required to comply with any applicable law or regulation;

(b) file with the SEC a Registration Statement relating to the Registrable Securities including all exhibits and financial statements required by the SEC to be filed therewith, and use commercially reasonable efforts to cause such Registration Statement to become effective under the Securities Act;

(c) prepare and file with the SEC such amendments and post-effective amendments to such Registration Statement and the related Prospectus as may be necessary to keep such Registration Statement effective for the Effectiveness Period and to comply with the provisions of the Securities Act and the Exchange Act with respect to the distribution of all of the Registrable Securities covered thereby;

(d) (i) notify the Participating Holders by facsimile or e-mail as promptly as practicable after any Registration Statement is declared effective or any post-effective amendment to a Registration Statement is declared effective, and shall simultaneously provide the Participating Holders with copies of any related Prospectus to be used in connection with the sale or other disposition of the securities covered thereby (provided, that the Company will not have any obligation to provide any document pursuant to this clause that is available on the EDGAR system), (ii) promptly notify the Participating Holders no later than one (1) trading day following the date (A) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement covering any or all of the Registrable Securities or any order by the SEC preventing or suspending the use of any preliminary or final Prospectus or the initiation of any proceedings for such purposes, (B) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction and (C) of the receipt by the Company of any notification with respect to the initiation or threatening of any proceeding for the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction;

(e) promptly notify the Participating Holders, at any time prior to the end of the Effectiveness Period, upon discovery that, or upon the happening of any event as a result of which, the Prospectus includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing (provided that such notice shall not, without the prior written consent of a Participating Holder, disclose to such Participating Holder any material nonpublic information regarding the Company), and promptly prepare, file with the SEC and furnish to such Holder a supplement to or an amendment of such Prospectus as may be necessary so that such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(f) promptly incorporate in a Prospectus supplement, Free Writing Prospectus or post-effective amendment to the applicable Registration Statement such information as the Participating Holders reasonably request to be included therein relating to the plan of distribution with respect to such Registrable Securities, and make all required filings of such Prospectus supplement, Free Writing Prospectus or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Free Writing Prospectus or post-effective amendment;

(g) furnish to each Participating Holder whose Registrable Securities are included in any Registration Statement (i) promptly after the same is prepared and filed with the SEC, if requested by the Participating Holder, one (1) copy of any Registration Statement and any amendment thereto, each preliminary prospectus and Prospectus and each amendment or supplement thereto, and each letter written by or on behalf of the Company to the SEC or the staff of the SEC, and each item of correspondence from the SEC or the staff of the SEC, in each case relating to such Registration Statement (other than any portion thereof which contains information for which the Company has sought confidential treatment), and (ii) such number of copies of a Prospectus, including a preliminary prospectus, and all amendments and supplements thereto and such other documents as such Participating Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Participating Holder that are covered by such Registration Statement;

(h) on or prior to the date on which the Registration Statement is declared effective, use its commercially reasonable efforts to register or qualify, or cooperate with the Participating Holders and their respective counsel, in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for offer and sale under the applicable state securities or "Blue Sky" laws of those jurisdictions within the United States as any Participating Holder or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification (or exemption therefrom) in effect during the Effectiveness Period, provided that the Company shall not be required to qualify generally to do business or as a dealer in securities in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then

so subject;

(i) within one (1) Business Days after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver to the transfer agent for such Registrable Securities (with copies to the Participating Holder whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC;

(j) cooperate with each Participating Holder participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA or any other securities regulatory authority;

(k) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, and file any final Prospectus, including any supplement or amendment thereof, with the SEC pursuant to Rule 424 under the Securities Act, promptly inform the Participating Holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the Participating Holders are required to deliver a Prospectus in connection with any disposition of Registrable Securities and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder; and make available to its security holders, as soon as reasonably practicable, an earnings statement covering satisfying the provisions of Section 11(a) of the Securities Act;

(l) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date no later than the effective date of such Registration Statement;

(m) use commercially reasonable efforts to maintain the listing of all Registrable Securities on each securities exchange on which the Common Stock is then listed or quoted and on each inter-dealer quotation system on which any of the Common Stock is then quoted;

(n) comply with its obligations regarding the removal of restrictive legends as set forth in Section 6(d) of the Purchase Agreement;

(o) with a view to making available to the Purchaser the benefits of Rule 144 (or its successor rule) and any other rule or regulation of the SEC that may at any time permit the Purchaser to sell shares of Common Stock to the public without registration, for so long as the Purchaser hold Shares, the Company covenants and agrees to: (i) make and keep public information available, as those terms are understood and defined in Rule 144, until the earlier of (A) the date as all of the Registrable Securities shall have been otherwise transferred, new certificates (or book entry issuance, as applicable) for such Shares not bearing a legend restricting further transfer shall have been delivered by Company and subsequent public distribution of such Shares shall not require registration under the Securities Act or (B) such date as all of the Registrable Securities shall have been resold; and (ii) file with the SEC in a timely manner all reports and other documents required of the Company under the Exchange Act.(iii) furnish to the Purchaser upon request, as long as the Purchaser owns any Registrable Securities, (A) a written statement by the Company that it has complied with the reporting requirements of the Exchange Act, (B) a copy of the Company's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, and (C) such other information as may be reasonably requested in order to avail the Purchaser of any rule or regulation of the SEC that permits the selling of any such Registrable Securities without registration;

(p) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, file as soon as reasonably practicable, but in any case prior to the Filing Deadline, an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities;

(q) If reasonably requested by the Purchaser at any time in respect of any Registration Statement, the Company shall deliver to the Purchaser a written confirmation from Company's counsel of whether or not the effectiveness of such Registration Statement has lapsed at any time for any reason (including, without limitation, the issuance of a stop order) and whether or not such Registration Statement is currently effective and available to the Company for sale of Registrable Securities;

(r) enter into and perform such customary agreements (including underwriting agreements in customary form) and take all such other actions as the Holders or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities pursuant to a Shelf Offering;

(s) make available for reasonable inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all material financial and other records, material pertinent corporate and business documents and properties of the Company as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors, employees, agents, representatives and independent accountants to supply all material information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(t) in the case of any underwritten Shelf Offering, use its commercially reasonable efforts to make available by videoconference the executive officers of the Company to participate with the Holders of Registrable Securities covered by the registration statement and any underwriters in any virtual "road shows" or other virtual selling efforts that may be reasonably requested by the Holders in connection with the methods of distribution for the Registrable Securities;

(u) in the case of any underwritten Shelf Offering, use its commercially reasonable efforts to obtain one or more cold comfort letters from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the underwriters of the Registrable Securities being sold reasonably request;

(v) in the case of any underwritten Shelf Offering, use its commercially reasonable efforts to provide a legal opinion and negative assurance letter of the Company's outside counsel (and to allow the outside counsel to any underwriters to deliver the same), dated the closing date of the Shelf Offering, in customary form and covering such matters of the type customarily covered by legal opinions of such nature, which opinion shall be addressed to the underwriters of such Registrable Securities being sold; and

(w) in connection with any Underwritten Offering, the Company agrees to be bound by the underwriting agreement's lockup restrictions with customary exceptions including for issuance of securities of the Company in connection with acquisitions or other strategic transactions and to cause its executive officers and directors to enter into customary lock-up agreements and shall take commercially reasonable efforts to cause any other parties reasonably requested by the underwriters to enter into such agreements; provided, however, that in no event shall such lockup restrictions last more than 45 days.

2.4 Obligations of the Purchaser.

(a) Notwithstanding any other provision of the Agreement, no Holder of Registrable Securities may include any of its Registrable Securities in the Registration Statement pursuant to this Agreement unless the Holder furnishes to the Company a completed and signed selling stockholder questionnaire in customary form (or such other questionnaire or statement reasonably acceptable to the Company) that contains such information regarding Purchaser, the securities of the Company held by Purchaser and the intended method of disposition of the Registrable Securities as shall be reasonably requested by the Company to effect the registration of the Registrable Securities at least five (5) Business Days prior to the anticipated filing date of any Registration Statement if the Purchaser elects to have any of its Registrable Securities included in the Registration Statement. Each Holder who intends to include any of its Registrable Securities in the Registration Statement shall promptly furnish the Company in writing such other information as the Company may reasonably request in writing, and no later than two (2) Business Days prior to the anticipated filing date of such Registration Statement. Each Holder acknowledges and agrees that the information in the selling shareholder questionnaire or request for further information as described in this Section 2.4(a) will be used by the Company in the preparation of the Registration Statement and hereby consents to the inclusion of such information in the Registration Statement. The Company shall not be obligated to file more than one post-effective amendment or supplement in any thirty (30) day period following the date such Registration Statement is declared effective for the purposes of naming Holders as selling security holders who are not named in such Registration Statement at the time of effectiveness.

(b) The Purchaser, by its acceptance of the Registrable Securities agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of a Registration Statement hereunder, unless the Purchaser has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement. The Company may require each selling Holder to furnish to the Company a statement as to (i) the number of shares of Common Stock beneficially owned by such Holder and any affiliate thereof, (ii) any FINRA affiliations, (iii) any natural persons who have the power to vote or dispose of the Common Stock and (iv) any other information as may be requested by the SEC, FINRA or any state securities commission.

(c) The Purchaser agrees that, upon receipt of any notice from the Company of either (i) the commencement of an Allowed Delay pursuant to Section 2.1(b) or (ii) the happening of any event of the kind described in Section 2.3(d) and Section 2.3(e) hereof, the Purchaser will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities, until the Purchaser is advised by the Company that such dispositions may again be made and/or the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed and, if so directed by the Company, each Holder will deliver to the Company or destroy (at the Company's expense) all copies, other than permanent file copies then in its possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

2.5 Indemnification.

(a) Indemnification by the Company. The Company will indemnify and hold harmless each Participating Holder who sells Registrable Securities covered by such Registration Statement and its officers, directors, members, employees, advisers and agents, successors and assigns, any underwriter (as defined in the Securities Act) for each such Participating Holder and each other person, if any, who controls such Participating Holder or underwriter within the meaning of the Securities Act, against any losses, claims, damages, liabilities and expense (including reasonable attorney fees) (collectively, "Losses"), actually incurred, joint or several, to which they may become subject under the Securities Act or otherwise, insofar as such Losses (or actions in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, any preliminary Prospectus or final Prospectus, or any amendment or supplement thereof or arising out of or relating to any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading; or (ii) any violation by the Company or its agents of any rule or regulation promulgated under the Securities Act applicable to the Company or its agents and relating to action or inaction required of the Company in connection with such registration; and will reimburse such Participating Holder or underwriter who sells Registrable Securities covered by such Registration Statement, and each such officer, director, employee, agent or member and each such controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or action; provided, however, that the Company will not be liable in any such case to the extent that any such Losses arise out of or are based upon (x) an untrue statement or alleged untrue statement or omission or alleged omission so made in reliance upon or in conformity with information furnished by the Purchaser or any such controlling person in writing specifically for use in such Registration Statement or Prospectus (preliminary, final or summary) or any amendment or supplement thereto 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 approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto, (y) the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that such Prospectus is outdated or defective or (z) a Purchaser's (or any other indemnified Person's) failure to send or give a copy of the Prospectus or supplement (as then amended or supplemented), if required, pursuant to Rule 172 under the Securities Act (or any successor rule) to the Persons asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such Prospectus or supplement.

(b) Indemnification by the Participating Holders. Each Holder agrees to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors, officers, employees, stockholders, agents, and each person who controls the Company (within the meaning of the Securities Act and the Exchange Act) against any Losses (i) arising out of, based on, or resulting from any untrue statement of a material fact or any omission of a material fact required to be stated in any Registration Statement or Prospectus (preliminary, final or summary) or any amendment or supplement thereto or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, to the extent, but only to the extent that such untrue statement or omission is contained in any information furnished in writing by such Holder to the Company specifically for inclusion in such Registration Statement or Prospectus or amendment or supplement thereto, or a document incorporated by reference into any of the foregoing; 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 approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (ii) related to 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. In no event shall the liability of any selling Holder under this Section 2.5(b) and Section 2.5(d), if applicable, in the aggregate be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party (provided, however, that such indemnified party shall, at the expense of the indemnified party, be entitled to counsel of its own choosing to monitor such defense); provided that, subject to the preceding sentence, any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (A) the indemnifying party has agreed to pay such fees or expenses, or (B) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such person or (C) in the reasonable judgment of any such Person, based upon written advice of its counsel, a conflict of interest exists between such person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person); and provided, further, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations hereunder, except to the extent that such failure to give notice shall materially adversely affect the indemnifying party in the defense of any such claim or litigation. It is understood that the indemnifying party shall not, in connection with any proceeding in the same jurisdiction, be liable for fees or expenses of more than one separate firm of attorneys at any time for all such indemnified parties. No indemnifying party will, except with the

consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party, or any officer, director, employee, agent, affiliate, or controlling person of such indemnified party and shall survive the transfer of the Shares.

(d) Contribution. If for any reason the indemnification provided for in the preceding paragraphs (a) and (b) is unavailable to an indemnified party or insufficient to hold it harmless, other than as expressly specified therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. No Person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In no event shall the contribution obligation of a Holder under this Section 2.5(d) and Section 2.5(b), if applicable, in the aggregate be greater in amount than the dollar amount of the net proceeds received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

3. Miscellaneous.

3.1 Governing Law; Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby, 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. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such 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 manner permitted by law.

3.2 Successors and Assignments. 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. A Holder may transfer or assign, in whole or from time to time in part, to one or more persons its rights hereunder in connection with the transfer of Registrable Securities by such Holder to such person, provided that such Holder complies with all laws applicable thereto, and the provisions of this Agreement and the Purchase Agreement, and provides written notice of assignment to the Company promptly after such assignment is effected, and such person agrees in writing to be bound by all of the provisions contained herein. This Agreement may not be assigned by the Company (whether by operation of law or otherwise) without the prior written consent of the Purchaser, provided, however, that in the event that the Company is a party to a merger, consolidation, share exchange or similar business combination transaction in which the Common Stock is converted into the equity securities of another Person, from and after the effective time of such transaction, such Person shall, by virtue of such transaction, be deemed to have assumed the obligations of the Company hereunder, the term "Company" shall be deemed to refer to such Person and the term "Registrable Securities" shall be deemed to include the securities received by the Holders in connection with such transaction unless such securities are otherwise freely tradable by the Holders after giving effect to such transaction.

3.3 Entire Agreement; Amendment. This Agreement and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Any previous agreements among the parties relative to the specific subject matter hereof are superseded by this Agreement. This Agreement may be amended only by a writing signed by the Company and the Purchaser. The Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act of the Purchaser.

3.4 Notices. All notices and other communications provided for or permitted hereunder shall be made as set forth in Section 8(f) of the Purchase Agreement.

3.5 Third Parties. This Agreement does not create any rights, claims or benefits inuring to any person that is not a party hereto nor create or establish any third party beneficiary hereto; provided, that the indemnified parties are intended third party beneficiaries of Section 2.5 and each Holder are intended third party beneficiaries of this Agreement.

3.6 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.

3.7 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.

3.8 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 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.

3.9 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of 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. It is further agreed that any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in writing, and that all remedies,

either under this Agreement, by law or otherwise, shall be cumulative and not alternative.

3.10 Consents. Any permission, consent, or approval of any kind or character under this Agreement shall be in writing and shall be effective only to the extent specifically set forth in such writing.

3.11 SPECIFIC PERFORMANCE. THE PARTIES HERETO AGREE THAT IRREPARABLE DAMAGE WOULD OCCUR IN THE EVENT THAT ANY OF THE PROVISIONS OF THIS AGREEMENT WERE NOT PERFORMED IN ACCORDANCE WITH ITS SPECIFIC INTENT OR WERE OTHERWISE BREACHED. IT IS ACCORDINGLY AGREED THAT THE PARTIES SHALL BE ENTITLED TO AN INJUNCTION OR INJUNCTIONS, WITHOUT BOND, TO PREVENT OR CURE BREACHES OF THE PROVISIONS OF THIS AGREEMENT AND TO ENFORCE SPECIFICALLY THE TERMS AND PROVISIONS HEREOF, THIS BEING IN ADDITION TO ANY OTHER REMEDY TO WHICH THEY MAY BE ENTITLED BY LAW OR EQUITY, AND ANY PARTY SUED FOR BREACH OF THIS AGREEMENT EXPRESSLY WAIVES ANY DEFENSE THAT A REMEDY IN DAMAGES WOULD BE ADEQUATE.

3.12 Construction of Agreement. No provision of this Agreement shall be construed against either party as the drafter thereof.

3.13 Section References. Unless otherwise stated, any reference contained herein to a Section or subsection refers to the provisions of this Agreement.

3.14 Variations of Pronouns. All pronouns and all variations thereof shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require.

3.15 Contract Interpretation. This Agreement is the joint product of the Purchaser and the Company and each provision hereof has been subject to the mutual consultation, negotiation and agreement of such parties and shall not be construed for or against any party hereto.

3.16 Non-Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, the Company covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee, stockholder, general or limited partner or member of the Purchaser or of any of its Affiliates or assignees, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future director, officer, employee, stockholder, general or limited partner or member of the Purchaser or of any of its Affiliates or assignees, as such for any obligation of the Purchaser under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

3.17 Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

3.18 No Piggyback on Registrations; 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. The Company shall not file any other registration statements until all Registrable Securities are registered pursuant to a Registration Statement that is declared effective by the SEC, provided that this Section 3.18 shall not prohibit the Company from filing amendments to registration statements filed prior to the date of this Agreement so long as no new securities are registered on any such existing registration statements, nor preparing and filing with the SEC a registration statements on Form S-8 relating to its equity incentive plans.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement or caused their duly authorized officers to execute this Agreement as of the day and year first written above.

COMPANY:

VUZIX CORPORATION

By: /s/ Paul Travers
Name: Paul Travers
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Agreement or caused their duly authorized officers to execute this Agreement as of the day and year first written above.

PURCHASER:

QUANTA COMPUTER INC.

By: /s/ C. C. Leung
Name: C. C. Leung
Title: Vice Chairman

Annex A
PLAN OF DISTRIBUTION

The selling stockholders, including their transferees, pledgees or donees or their respective successors, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of common stock or interests in shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

The selling stockholders may use any one or more of the following methods when disposing of shares or interests therein:

- 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;
- short sales effected after the date the registration statement of which this prospectus is a part is declared effective by the SEC;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted by applicable law.

The selling stockholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling stockholders for purposes of this prospectus.

In connection with the sale of our 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 our 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 aggregate proceeds to the selling stockholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling stockholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering.

The selling stockholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, provided that they meet the criteria and conform to the requirements of that rule, or another available exemption from the registration requirements of the Securities Act.

The selling stockholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock or interests therein may be “underwriters” within the meaning of Section 2(a)(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Selling stockholders who are “underwriters” within the meaning of Section 2(a)(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

To the extent required, the shares of our common stock to be sold, the names of the selling stockholders, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, and any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. In addition, to the extent applicable, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We have agreed to indemnify the selling stockholders against liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

We have agreed with the selling stockholders to use commercially reasonable efforts to cause the registration statement of which this prospectus constitutes a part effective and to remain continuously effective until the earlier of (1) such time as all of the shares covered by this prospectus have been disposed of pursuant to and in accordance with such registration statement and (2) the date that all the shares covered by this prospectus cease to be "Registrable Securities" (as defined in the Registration Rights Agreement).

Exhibit 99.1

Quanta Computer Enters Into a Strategic Investment in Vuzix in Support of Long-Term Waveguide Design and Supply Partnership

- *Vuzix to receive a $20 million dollar investment in 3 tranches from Quanta Computer, one of the world's largest ODMs*
- *Quanta investment to support the expansion of Vuzix' leading-edge waveguide production capabilities and joint development of new AR/AI smart glasses technologies*

ROCHESTER, NY, September 3, 2024 – Vuzix® Corporation (NASDAQ: VUZI), ("Vuzix" or, the "Company"), a leading supplier of smart glasses and Augmented Reality (AR) technology and products, is pleased to announce Quanta Computer Inc. (TWSE: 2382.TW), ("Quanta"), a global Fortune 500 company and worldwide leading Original Design Manufacturer (ODM), has entered into a $20 million three-tranche strategic investment in Vuzix consisting of common and preferred stock of Vuzix.

Quanta's investment commitment of $20 million consists of three investment tranches. The first investment tranche will consist of $10 million of Vuzix common stock. The second and third tranches of the total planned investment are $5 million each, are tied to specific milestones, and will consist of the purchase of Vuzix Series B Preferred Stock.

"We plan to work closely with Vuzix to support the AR smart glasses industry and today's investment in Vuzix represents a strong endorsement of our partnership," said Frank Chuang, Vice President of Quanta Computer.

"Quanta's investment today represents another important step in our partnership, which has steadily deepened since we first disclosed it last November," said Paul Travers, President and CEO of Vuzix. "This investment, and the ones to follow, will significantly strengthen our balance sheet and assure that we can implement whatever steps needed to ramp production of waveguides, as well as the co-development of new smart glasses and related technologies. We look forward expanding our customer relationship and partnership with such a leading product manufacturer as Quanta, as well as realizing the significant revenue potential it stands to generate for Vuzix in the upcoming years with both parties' successes."

The foregoing description of Quanta's investment is qualified in its entirety by reference to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on August xx, 2024 and the agreements attached as exhibits thereto.

About Quanta Computer

Quanta Computer Inc. is a Fortune Global 500 Company and a leader in worldwide notebook manufacturing, as well as a leading solution provider in cloud computing. Quanta provides innovative products with superior technology in information and communications, consumer electronics, cloud computing, smart home solutions, smart automobile solutions, smart healthcare, and AIoT, etc. Founded in 1988 and listed in TWSE since 1999, Quanta Computer is headquartered in Taiwan with manufacturing and service locations across Asia, Americas, and Europe, etc. FY2023 consolidated revenues for Quanta Computer amounted to US$35 billion with a workforce of approximately 62,000 employees worldwide. For further information, please visit Quanta Computer's Website at http://www.quantatw.com/

About Vuzix Corporation

Vuzix is a leading designer, manufacturer and marketer of Smart Glasses and Augmented Reality (AR) technologies and products for the enterprise, medical, defense and consumer markets. The Company's products include head-mounted smart personal display and wearable computing devices that offer users a portable high-quality viewing experience, provide solutions for mobility, wearable displays and augmented reality, as well OEM waveguide optical components and display engines. Vuzix holds more than 375 patents and patents pending and numerous IP licenses in the fields of optics, head-mounted displays, and augmented reality Video Eyewear field. Moviynt, an SAP Certified ERP SaaS logistics solution provider, is a Vuzix wholly owned subsidiary. The Company has won Consumer Electronics Show (or CES) awards for innovation for the years 2005 to 2024 and several wireless technology innovation awards among others. Founded in 1997, Vuzix is a public company (NASDAQ: VUZI) with offices in: Rochester, NY; and Kyoto and Tokyo, Japan. For more information, visit the Vuzix website, Twitter and Facebook pages.

Forward-Looking Statements Disclaimer

Certain statements contained in this news release are "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward-looking statements contained in this release relate to potential impact of investments, the completion of tranche the second and third investment tranches, Vuzix Smart Glasses, our business relationship and future business opportunities with Quanta Computer and their customers and among other things the Company's leadership in the Smart Glasses and AR display industry. They are generally identified by words such as "believes," "may," "expects," "anticipates," "should" and similar expressions. Readers should not place undue reliance on such forward-looking statements, which are based upon the Company's beliefs and assumptions as of the date of this release. The Company's actual results could differ materially due to risk factors and other items described in more detail in the "Risk Factors" section of the Company's Annual Reports and MD&A filed with the United States Securities and Exchange Commission and applicable Canadian securities regulators (copies of which may be obtained at www.sedar.com or www.sec.gov). Subsequent events and developments may cause these forward-looking statements to change. The Company specifically disclaims any obligation or intention to update or revise these forward-looking statements as a result of changed events or circumstances that occur after the date of this release, except as required by applicable law.

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