

**SERIES A-1 PREFERRED STOCK PURCHASE AGREEMENT**

**OF**

**BRAIDY INDUSTRIES, INC.**

**May 4, 2017**

THE PURCHASE OF THE SECURITIES PROVIDED FOR HEREIN INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PARTIES WHO CAN BEAR THE RISK OF THE LOSS OF THEIR INVESTMENT.

### **SERIES A-1 PREFERRED STOCK PURCHASE AGREEMENT**

This Series A-1 Preferred Stock Purchase Agreement (this “Agreement”) is made as of the 4th day of May, 2017, by and among Braidy Industries, Inc., a Delaware corporation (the “Company”) and the purchasers listed on Exhibit A attached hereto (each a “Purchaser” and together the “Purchasers”).

**Whereas**, the Company having adopted and filed with the Secretary of State of the State of Delaware the Certificate of Incorporation of the Company, as amended, attached hereto as Exhibit B (the “Certificate”) authorizing 5,000,000 shares of Series A-1 Preferred Stock, par value \$0.0001 (the “Series A-1 Preferred Stock”), the Company now desired to sell shares of such Series A-1 Preferred Stock.

The parties hereby agree as follows:

#### **1. Purchase and Sale of Shares.**

1.1 **Sale and Issuance of Shares of Series A-1 Preferred Stock.** Subject to the terms and conditions of this Agreement, each Purchaser agrees to purchase at the applicable Closing and the Company agrees to sell and issue to each Purchaser at the applicable Closing that number of shares (“Shares”) of Series A-1 Preferred Stock set forth opposite such Purchaser’s name on Exhibit A, at a purchase price of \$5.00 per share.

#### **1.2 Closing; Delivery.**

(a) The initial purchase and sale of the Shares shall take place when a minimum number of Shares constituting at least 2,400,000 Shares having a value of at least \$12 million shall be purchased by Purchasers, and such purchase and sale shall occur at the offices of Crowell & Moring LLP (“Crowell & Moring”), 3 Embarcadero Center, 26th Floor, San Francisco, CA 94111, at 10:00 a.m. PT, on the date hereof, or at such other time and place as the Company and the Purchasers purchasing Shares at such closing mutually agree upon, orally or in writing (which time and place are designated as the “Initial Closing”). In the event there is more than one closing, the term “Closing” shall apply to each such closing unless otherwise specified.

(b) At each Closing, the Company shall deliver to each Purchaser purchasing Shares at such Closing a certificate representing the Shares being purchased thereby against payment of the purchase price therefor by wire transfer to a bank account designated by the Company.

(c) After the Initial Closing, the Company may sell, on the same terms and conditions as those contained in this Agreement, up to that number of additional shares of Series A-1 Preferred Stock such that when added to the Shares purchased and sold in the Initial Closing and any other Closing constitute no more than 5,000,000 Shares having a value of no more than

\$25 million (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or similar recapitalization affecting such shares) (“**Additional Shares**”), to one or more purchasers approved by the Board of Directors (“**Additional Purchasers**”), provided that (i) such subsequent sale is consummated within 120 days after the Initial Closing and (ii) each Additional Purchaser becomes a party to the Transaction Agreements (as defined below), by executing and delivering a counterpart signature page to each of the Transaction Agreements. Exhibit A to this Agreement shall be updated to reflect the number of Additional Shares purchased at each such Closing and the Purchasers purchasing such Additional Shares.

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

“Code” means the Internal Revenue Code of 1986, as amended.

“Investors’ Rights Agreement” means the agreement among the Company and the Purchasers, dated as of the Initial Closing, in substantially the form attached hereto as Exhibit C.

“Material Adverse Effect” means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property or results of operation of the Company, taken together as a whole.

“Securities Act” means the Securities Act of 1933, as amended.

“Transaction Agreements” means this Agreement, the Investors’ Rights Agreement and the Voting Agreement.

“Voting Agreement” means the agreement among the Company, the Purchasers and the other stockholders of the Company party thereto, dated as of the Initial Closing, in substantially the form attached hereto as Exhibit D.

**2. Representations and Warranties of the Company** The Company hereby represents and warrants to each Purchaser as follows:

For purposes of these representations and warranties, the phrase “to the Company’s knowledge” shall mean the actual knowledge of Craig Bouchard. In addition, for purposes of these representations and warranties, the term “the Company” shall include any subsidiaries of the Company, if any, unless otherwise noted.

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

**2.2 Capitalization.** The authorized capital of the Company consists immediately prior to the Closing consists of:

(a) 9,500,000 shares of Preferred Stock, of which (x) 4,500,000 shares have been designated Series A Preferred Stock, par value \$0.0001 (the “**Series A Preferred Stock**”) all of which are issued and outstanding immediately prior to the Initial Closing, and (y) 5,000,000 shares have been designated Series A-1 Preferred Stock (together with the Series A Preferred Stock, the “**Preferred Stock**”), none of which are issued and outstanding immediately prior to the Initial Closing. The rights, privileges and preferences of the Preferred Stock are as stated in the Certificate.

(b) 10,000,000 shares of Common Stock, \$0.001 par value per share, 500,000 shares of which are issued and outstanding immediately prior to the Initial Closing. All of the outstanding shares of Common Stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with the Securities Act and all applicable state securities laws.

(c) Except (i) for the conversion privileges of the Shares; (ii) for the rights provided in the Investors Rights Agreement, and (iii) the issuance of shares of Common Stock to John Preston, Christopher Schuh, Michael Porter and Charles Price as previously disclosed to the Purchasers to the extent that such issuance has not yet occurred, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, for the purchase or acquisition from the Company of any shares of its capital stock. No other agreement or understanding between the Company and any holder of equity securities or rights to purchase equity securities provides for acceleration or other changes in the vesting provisions of such agreements or understandings, or the lapse of a Company repurchase right, upon the occurrence of any event.

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

2.4 **Authorization.** All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement and the other Transaction Agreements, the performance of all obligations of the Company hereunder and thereunder and the authorization, issuance and delivery of the Shares and the Common Stock issuable upon conversion of the Shares (together, the “Securities”) has been taken or will be taken prior to the Closing, and the Transaction Agreements, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (iii) to the extent the indemnification provisions contained in the Investors’ Rights Agreement may be limited by applicable federal or state securities laws.

## **2.5 Valid Issuance of Securities.**

(a) The Shares, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable state and federal securities laws and liens or encumbrances created by or imposed by a Purchaser. Based in part upon the representations of the Purchasers in Section 3 and subject to the provisions of Section 2.6 below, the Shares will be issued in compliance with the Securities Act and all applicable state securities laws. The Common Stock issuable upon conversion of the Shares has been duly and validly reserved for issuance, and upon issuance in accordance with the terms of the Certificate, will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Agreements, applicable federal and state securities laws and liens or encumbrances created by or imposed by a Purchaser. Based in part upon the representations of the Purchasers in Section 3 of this Agreement, and subject to Section 2.6 below, the Common Stock issuable upon conversion of the Shares will be issued in compliance with the Securities Act and all applicable federal and state securities laws.

(b) The Company has exercised reasonable care, in accordance with the rules and guidance of the Securities and Exchange Commission, to determine whether any Covered Person (as defined below) is subject to any of the “bad actor” disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act (“**Disqualification Events**”). To the Company’s knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. “**Covered Persons**” are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering, general partner or managing member of the Company; any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares; and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Shares (a “**Solicitor**”), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor.

**2.6 Governmental Consents and Filings.** Assuming the accuracy of the representations made by the Purchasers in Section 3 of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except for filings pursuant to applicable state securities laws and Regulation D of the Securities Act.

**2.7 Litigation.** There is no claim, action, suit, proceeding, arbitration, complaint, charge or investigation pending or, to the Company’s knowledge, currently threatened against the Company that questions the validity of the Transaction Agreements or the right of the

Company to enter into them, or to consummate the transactions contemplated thereby, or that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, or any change in the current equity ownership of the Company. Neither the Company nor, to the Company's knowledge, any of its officers or directors in their capacity as such, is a party or is named as subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened in writing (or any basis therefor known to the Company) involving the prior employment of any of the Company's employees, their use in connection with the Company's business, or any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

**2.8 Intellectual Property.** The Company owns or possesses sufficient legal rights to all trademarks, service marks, tradenames, domain names copyrights, trade secrets, licenses, information and proprietary rights and processes and, to the Company's knowledge, all patents, in each instance as used by it in connection with its business, which represent all intellectual property rights necessary to the conduct of the Company's business as now conducted and as presently contemplated to be conducted, without any known conflict with, or infringement of, the rights of others. There are no outstanding options, licenses, or agreements of any kind relating to the foregoing, nor is the Company bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, domain names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person or entity, except, in either case, for standard end-user, object code, internal-use software license and support/maintenance agreements. The Company has not received any communications alleging that the Company has violated or, by conducting its business as proposed, would violate any of the patents, trademarks, service marks, tradenames, domain names, copyrights, trade secrets or other proprietary rights or processes of any other person or entity, except, in either case, for standard end-user, object code, internal-use software license and support/maintenance agreements. The Company is not aware that any of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with the ability of such employee to promote the interests of the Company or that would conflict with the Company's business. Neither the execution or delivery of the Transaction Agreements, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as proposed, will, to the Company's knowledge, materially conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a material default under, any contract, covenant or instrument under which any such employee is now obligated.

**2.9 Compliance with Other Instruments.** The Company is not in violation or default of any provisions of its Certificate or Bylaws, or of any instrument, judgment, order, writ, or decree, or under any note, indenture, mortgage, lease, agreement, contract or purchase order to which it is a party or by which it is bound or, to its knowledge, of any provision of federal or state statute, rule or regulation applicable to the Company, the violation of which would have a Material Adverse Effect. The execution, delivery and performance of the Transaction Agreements and the consummation of the transactions contemplated hereby or thereby will not

result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, order, writ, decree or contract or an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to the Company or any of its assets or properties.

#### 2.10 **Agreements; Actions.**

(a) Other than (i) the employment agreement between Craig Bouchard and the Company, (ii) standard employee benefits generally made available to all employees, (iii) standard director and officer indemnification agreements approved by the Board of Directors, (iv) the purchase of shares of the Company's capital stock approved by the Board of Directors and (v) the transactions contemplated by the Transaction Agreements, there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, affiliates, or any affiliate thereof.

(b) Except for the Transaction Agreements, there are no agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party or by which it is bound that involve (i) obligations (contingent or otherwise) of, or payments to, the Company in excess of, \$25,000, (ii) the license of any patent, copyright, trade secret or other proprietary right to or from the Company other than (A) the license of the Company's software and products in the ordinary course of business or (B) the license to the Company of generally commercially available "off-the-shelf" third-party products), or (iii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other person or affect the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products.

(c) The Company has not (i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred any indebtedness for money borrowed or incurred any other liabilities individually in excess of \$25,000 or in excess of \$100,000 in the aggregate, (iii) made any loans or advances to any person, other than ordinary advances for travel expenses, or (iv) sold, exchanged or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business.

(d) For the purposes of subsections (b) and (c) above, all indebtedness, liabilities, agreements, understandings, instruments, contracts and proposed transactions involving the same person or entity (including persons or entities the Company has reason to believe are affiliated with that person or entity) shall be aggregated for the purposes of meeting the individual minimum dollar amounts of each such subsection.

(e) The Company has not engaged since January 1, 2017 in any discussion with any representative of any corporation, partnership, trust, joint venture, limited liability company, association or other entity, or any individual, regarding (i) a sale of all or substantially all of the Company's assets, (ii) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a

transaction in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction, or (iii) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

2.11 **Rights of Registration and Voting Rights.** Except as provided in the Investors' Rights Agreement, the Company is not under any obligation to register under the Securities Act any of its currently outstanding securities or any securities issuable upon exercise or conversion of its currently outstanding securities. To the Company's knowledge, other than as contemplated by the Transaction Agreements, no stockholder of the Company has entered into any agreements with respect to the voting of capital shares of the Company.

2.12 **Title to Property and Assets.** The Company owns its property and assets free and clear of all mortgages, deeds of trust, liens, loans and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets. With respect to the property and assets it leases, the Company is in compliance with such leases and, to its knowledge, holds a valid leasehold interest free of any liens, claims or encumbrances other than to the lessors of such property or assets.

2.13 **Material Liabilities.** The Company has no liability or obligation, absolute or contingent (individually or in the aggregate), except (i) obligations and liabilities incurred after the date of incorporation and (ii) obligations under contracts, in each case made or entered into in the ordinary course of business that, individually or in the aggregate, would not have a Material Adverse Effect.

2.14 **Changes.** To the Company's knowledge, since January 1, 2017, there have been no events or circumstances of any kind that have had or could reasonably be expected to result in a Material Adverse Effect.

2.15 **Employee Benefit Plans.** There are no employee benefit plans maintained, established or sponsored by the Company, or in or to which the Company participates or contributes, which are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Company has made all required contributions and has no liability to any such employee benefit plan, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and has complied with all applicable laws for any such employee benefit plan.

2.16 **Tax Returns and Payments.** The Company has filed all tax returns and reports as required by law. These returns and reports are true and correct in all material respects. The Company has paid all taxes and other assessments due.



2.17 **Labor Agreements and Actions.** The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to the Company's knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the Company's knowledge threatened, which could have a Material Adverse Effect, nor is the Company aware of any labor organization activity involving its employees. The Company is not aware that any officer or key employee intends to terminate their employment with the Company, nor does the Company have any present intention to terminate the employment of any officer or key employee. Except in the case of Mr. Bouchard (who has a minimum employment term of five years from the date hereof), the employment of each officer and employee of the Company is terminable at the will of the Company. To its knowledge, the Company has complied in all material respects with all applicable state and federal equal employment opportunity laws and with other laws related to employment.

2.18 **Permits.** The Company has all franchises, permits, licenses and any similar authority necessary for the conduct of its business, the lack of which could have a Material Adverse Effect. The Company is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

2.19 **Corporate Documents.** The Certificate and Bylaws of the Company are in the form provided to counsel for the Purchasers.

2.20 **Real Property Holding Corporation.** The Company is not a "United States real property holding corporation" within the meaning of the Code and any applicable regulations promulgated thereunder.

2.21 **Qualified Small Business Stock.** As of the Closing, the Shares will meet each of the requirements for qualification as "qualified small business stock" within the meaning of Sections 1202 and 1045 of the Code.

2.22 **Disclosure.** The Company has made available to the Purchasers all the information reasonably available to the Company that the Purchasers have requested for deciding whether to acquire the Shares, including certain of the Company's projections that constitute its current proposed business plan (the "Business Plan"). No representation or warranty of the Company contained in this Agreement and no certificate furnished or to be furnished to Purchasers at the Closing contains any untrue statement of a material fact or, to the Company's knowledge, omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. The Business Plan was prepared in good faith; however, the Company does not warrant that it will achieve any results projected in the Business Plan. It is understood that this representation is qualified by the fact that the Company has not delivered to the Purchasers, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

3. **Representations and Warranties of the Purchasers.** Each Purchaser hereby represents and warrants to the Company, severally and not jointly, that:

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

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

3.3 **Disclosure of Information.** Such Purchaser believes it has received all information it considers necessary or appropriate for deciding whether to purchase the Securities. Such Purchaser further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and the business, properties, prospects and financial condition of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 2 of this Agreement or the right of the Purchasers to rely on such representations and warranties.

3.4 **Restricted Securities.** Such Purchaser understands that the Securities will be characterized as "restricted securities" under the federal securities laws, inasmuch as they are being acquired from the Company in a transaction not involving a public offering, and that under such laws and applicable regulations such Securities may not be resold without registration under the Act, except in certain limited circumstances. In this connection, such Purchaser represents that it is familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act. Such Purchaser acknowledges that the Company has no obligation to register or qualify the Securities for resale, except as set forth in the Investors' Rights Agreement. Such Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Securities, and on requirements relating to the Company that are outside such Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

3.5 **No Public Market.** Such Purchaser understands that no public market now exists for any of the securities issued by the Company, and that the Company has made no assurances that a public market will ever exist for the Securities.

3.6 **Legends.** Such Purchaser understands that the Securities and any securities issued in respect of or exchange for the Securities, may bear one or all of the following legends:

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

(b) Any legend set forth in or required by the other Transaction Agreements.

(c) Any legend required by the securities laws of any state to the extent such laws are applicable to the shares represented by the certificate so legended.

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

3.8 **Status of Investor.** Such Purchaser has such knowledge, skill and experience in business, financial and investment matters that it is capable of evaluating the merits and risks of an investment in the Shares. With the assistance of such Purchaser’s own professional advisors, to the extent that such Purchaser has deemed appropriate, such Purchaser has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Shares and the consequences of this Agreement. Such Purchaser has considered the suitability of the Shares as an investment in light of its own circumstances and financial condition and such Purchaser is able to bear the risks associated with an investment in the Shares and its authority to invest in the Shares.

3.9 **Foreign Investors.** If such Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), such Purchaser hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Securities or any use of this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Securities. Such Purchaser’s subscription and payment for and continued beneficial ownership of the Securities, will not violate any applicable securities or other laws of such Purchaser’s jurisdiction. The funds used to purchase the Securities do not violate the anti-

money laundering provisions of the Money Laundering Control Act of 1986 or the Bank Secrecy Act of 1970, as amended by the USA Patriot Act of 2001.

3.10 **No General Solicitation.** Neither such Purchaser, nor any of its officers, employees, agents, directors, stockholders or partners has engaged the services of a broker, investment banker or finder to contact any potential investor nor has such Purchaser or any of the Purchaser's officers, employees, agents, directors, stockholders or partners, agreed to pay any commission, fee or other remuneration to any third party to solicit or contact any potential investor. Neither such Purchaser, nor any of its officers, directors, employees, agents, stockholders or partners has (a) engaged in any general solicitation, or (b) published any advertisement in connection with the offer and sale of the Securities.

3.11 **Exculpation Among Purchasers.** Such Purchaser acknowledges that it is not relying upon any person, firm or corporation, other than the Company and its officers and directors, in making its investment or decision to invest in the Company. Each Purchaser agrees that no Purchaser nor the respective controlling persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the purchase of the Securities.

4. **Conditions of the Purchasers' Obligations at Closing.** The obligations of each Purchaser to the Company under this Agreement are subject to the fulfillment, on or before the applicable Closing, of each of the following conditions, unless otherwise waived:

4.1 **Representations and Warranties.** The representations and warranties of the Company contained in Section 2 shall be true and correct in all material respects on and as of the applicable Closing with the same effect as though such representations and warranties had been made on and as of the date of such Closing; provided, that representations and warranties made with reference to an earlier date shall be true as of such earlier date.

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

4.3 **Compliance Certificate.** The Chief Executive Officer of the Company shall have delivered to the Purchasers at such Closing a certificate certifying that the conditions specified in Sections 4.1 and 4.2 have been fulfilled.

4.4 **Qualifications.** All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares to be issued at such Closing pursuant to this Agreement shall be obtained and effective as of such Closing.

4.5 **Board of Directors.** As of the Closing, the Board shall be comprised of Craig Bouchard, John Preston, Michael Porter, Christopher Schuh and Charles Price.

4.6 **Investors' Rights Agreement.** The Company, each Purchaser at such Closing and the other parties set forth therein, shall have executed and delivered the Investors' Rights Agreement.

4.7 **Voting Agreement.** The Company, each Purchaser at such Closing, and the other parties set forth therein, shall have executed and delivered the Voting Agreement.

4.8 **Certificate.** The Certificate shall have been filed with the Secretary of State of Delaware on or prior to such Closing and shall be in full force and effect as of such Closing.

4.9 **Secretary's Certificate.** The Secretary of the Company shall have delivered to the Purchasers at such Closing a certificate certifying as to (i) the Certificate, (ii) the Bylaws of the Company, (iii) resolutions of the Board of Directors of Company approving the Transaction Agreements and the transactions contemplated hereby and thereby, and (iv) resolutions of the stockholders of the Company approving the Transaction Agreements, the Certificate and the Bylaws.

4.10 **Indemnification Agreement.** The Company shall have executed and delivered the Indemnification Agreements between the Company and each director nominated by any Purchaser entitled to designate a member of the Board of Directors pursuant to the Voting Agreement.

5. **Conditions of the Company's Obligations at Closing.** The obligations of the Company to each Purchaser under this Agreement purchasing Shares at the applicable Closing are subject to the fulfillment, on or before such Closing, of each of the following conditions, unless otherwise waived:

5.1 **Representations and Warranties.** The representations and warranties of such Purchaser contained in Section 3 shall be true and correct in all material respects on and as of the Closing with the same effect as though such representations and warranties had been made on and as of such Closing.

5.2 **Performance.** All covenants, agreements and conditions contained in this Agreement to be performed by such Purchaser on or prior to such Closing shall have been performed or complied with in all material respects.

5.3 **Qualifications.** All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares to be issued at such Closing pursuant to this Agreement shall be obtained and effective as of such Closing.

## 6. **Miscellaneous.**

6.1 **Kentucky Operations.** The Company intends to have operations in the Commonwealth of Kentucky and as soon after the Closing is commercially reasonably possible, will look to obtain an interest in real property in the Commonwealth of Kentucky from which it will eventually operate.

6.2 **Survival of Warranties.** Unless otherwise set forth in this Agreement, the warranties, representations and covenants of the Company and the Purchasers contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing.

6.3 **Entire Agreement.** This Agreement, and the documents referred to herein constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements relating to the subject matter hereof existing between the parties hereto are expressly canceled.

6.4 **Transfer; Successors and Assigns.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties, including transferees of any Securities. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.5 **Amendments and Waivers.** Any term of this Agreement may be amended or waived only with the written consent of the Company and the holders of at least a majority of the Common Stock issued or issuable upon conversion of the Shares. Any amendment or waiver effected in accordance with this Section 6.4 shall be binding upon the Purchasers and each transferee of the Shares (or the Common Stock issuable upon conversion thereof), whether or not such party has signed such amendment or waiver, each future holder of all such securities, and the Company.

6.6 **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by overnight courier or sent by fax (upon customary confirmation of receipt), or 48 hours after being deposited in the mail, as certified or registered mail, with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page or Exhibit A hereto, or as subsequently modified by written notice, and if to the Company, with a copy to Crowell & Moring, 3 Embarcadero Center, 26th Floor, San Francisco, CA 94111, Attn.: Jeffrey C. Selman.

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

6.8 **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

6.9 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument.

6.10 **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.11 **Delays or Omissions.** No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.12 **Finder's Fee.** Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which each Purchaser or any of its officers, employees, or representatives is responsible. The Company agrees to indemnify and hold harmless each Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

6.13 **Waiver of Conflicts.** Each party to this Agreement acknowledges that Crowell & Moring, counsel for the Company, has in the past performed and may continue to perform legal services for certain of the Purchasers in matters unrelated to the transactions described in this Agreement, including the representation of such Purchasers in venture capital financings and other matters. Accordingly, each party to this Agreement hereby (a) acknowledges that they have had an opportunity to ask for information relevant to this disclosure; and (b) gives its informed consent to Crowell & Moring's representation of certain of the Purchasers in such unrelated matters and to Crowell & Moring's representation of the Company in connection with this Agreement and the transactions contemplated hereby.

*[Signature Pages Follow]*

The parties have executed this Series A-1 Preferred Stock Purchase Agreement as of the date first written above.

**BRAIDY INDUSTRIES, INC.**

Craig T Bouchard


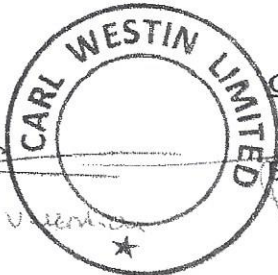
By: CRAIG BOUCHARD

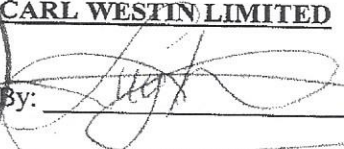
Chief Executive Officer

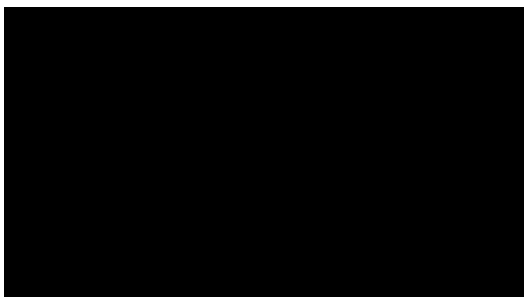


IN WITNESS WHEREOF, the parties have executed this Series A-1 Preferred Stock Purchase Agreement as of the date first written above.

**PURCHASERS:**

By:   CARL WESTIN LIMITED  
Name: Valerius Valentich  
Title: Director

By:  CARL WESTIN LIMITED  
Name: Angelina Inglesci  
Title: Director



IN WITNESS WHEREOF, the parties have executed this Series A-1 Preferred Stock Purchase Agreement as of the date first written above.

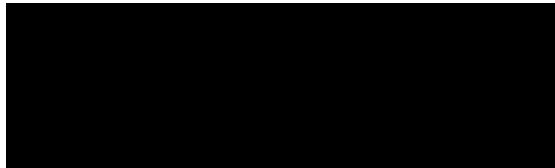
**PURCHASERS:**

**CHARLES PRICE**

By: Charles Price

Name: Charles Price

Title:



**IN WITNESS WHEREOF**, the parties have executed this Series A-1 Preferred Stock Purchase Agreement as of the date first written above.

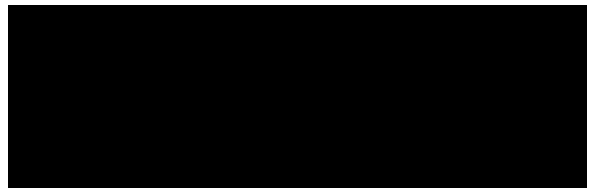
**PURCHASERS:**

**COMMONWEALTH SEED CAPITAL, LLC**

By: 

Name: Benjamin E. Fuqua

Title: President



## **EXHIBITS**

- Exhibit A - Schedule of Purchasers
- Exhibit B - Certificate of Incorporation
- Exhibit C - Form of Investors' Rights Agreement
- Exhibit D - Form of Voting Agreement

**EXHIBIT A**

**SCHEDULE OF PURCHASERS**

**Closing: May 4, 2017**

Stockholder Name and Address	Number of Shares	Total Purchase Price
Carl Westin, LTD., Arch. Makariou & Kalograion, 4 [REDACTED]	500,000	\$2,500,000.00US
Charles Price [REDACTED]	300,000	\$1,500,000.00US
Commonwealth Seed Capital, LLC [REDACTED]	3,000,000	\$15,000,000.00US
<b>Total:</b>	<b>3,800,000</b>	<b>\$19,000,000.00US</b>

**EXHIBIT B**

**CERTIFICATE OF INCORPORATION**

**EXHIBIT C**

**FORM OF INVESTORS' RIGHTS AGREEMENT**

**EXHIBIT D**

**FORM OF VOTING AGREEMENT**