

SWORD DIAGNOSTICS, INC.

CONVERTIBLE NOTE PURCHASE AGREEMENT

This Convertible Note Purchase Agreement (the “Agreement”) is made as of May 12, 2015, by and among (i) Sword Diagnostics, Inc., a Delaware corporation (the “Company”), (ii) each of the purchasers listed on Exhibit A attached to this Agreement (each an “Initial Purchaser” and together the “Initial Purchasers”) and (iii) each person who shall, subsequent to the date hereof, join in and become a party to this Agreement by executing and delivering to the Company an Instrument of Adherence in the form attached hereto as Exhibit C (each an “Additional Purchaser” and together the “Additional Purchasers” and collectively with the Initial Purchasers, the “Purchasers”).

RECITALS

WHEREAS, The Company desires to issue and sell, and the Purchasers desire to purchase, convertible secured promissory notes in substantially the form attached to this Agreement as Exhibit B (collectively the “Notes” and each a “Note”), in an aggregate principal amount of up to \$1,500,000.00, such Notes to be convertible on the terms and conditions stated therein into equity securities of the Company.

WHEREAS, the Notes and the equity securities issuable upon conversion or exercise thereof (and the securities issuable upon conversion of such equity securities) are collectively referred to herein as the “Securities”.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, the parties to this Agreement agree as follows:

1. Purchase and Sale of New Notes.

(a) **Sale and Issuance of Initial Notes.** The Initial Purchasers and the Company hereby agree that certain of the Notes (collectively the “Initial Notes” and each an “Initial Note”) shall be issued at a closing to occur on or about the date hereof (the “Initial Closing”). Subject to the terms and conditions of this Agreement, at the Initial Closing, each Initial Purchaser agrees to purchase and the Company agrees to sell and issue to each Initial Purchaser an Initial Note in the principal amount equal to the amount set forth opposite such Initial Purchaser's name on Exhibit A hereto. The purchase price of each Initial Note shall be equal to 100% of the principal amount of such Initial Note to be purchased at the Initial Closing. The Company's agreements with each of the Purchasers are separate agreements, and the sales of the Initial Notes to each of the Purchasers at the Initial Closing are separate sales.

(b) **Additional Purchases and Sales.** At any time after the Initial Closing but prior to November 30, 2015 (which date may be extended by the Company in its sole discretion), the Company may sell, pursuant to this Agreement, additional Notes (each an “Additional Note” and collectively the “Additional Notes”) at one or more additional closings (each, an “Additional Closing”) to one or more purchasers (the “Additional Purchasers”) who execute and deliver to the Company an Instrument of Adherence hereto, in the form of Exhibit C, provided that the

aggregate principal amount of all Initial Notes and Additional Notes sold hereunder shall not exceed \$1,500,000. At each Additional Closing, each Additional Purchaser shall purchase, and the Company shall sell and issue to each Additional Purchaser, a New Note in the principal amount as subscribed for by such Additional Purchaser. The purchase price of each Additional Note shall be equal to 100% of the principal amount of such Additional Note to be purchased at the applicable Additional Closing. The Company's agreements with each of the Additional Purchasers are separate agreements, and the sales of the Additional Notes to each of the Additional Purchasers at any Additional Closing are separate sales.

(c) **Closings; Delivery.**

(i) The Initial Closing or any Additional Closing (each hereinafter referred to as a "Closing" and collectively as the "Closings") of the purchase and sale of Notes shall take place at the offices of Morse, Barnes-Brown & Pendleton, P.C., 230 Third Avenue, 4th Floor, Waltham, MA 02451. The Initial Closing shall occur at 10:00 a.m. on the date hereof or at such other time and place as the Company and the Initial Purchasers shall mutually agree.

(ii) At each Closing, the Company shall deliver to each Purchaser the Note to be purchased by such Purchaser at such Closing against (A) payment of the purchase price therefor by check payable to the Company, by wire transfer to a bank designated by the Company and (B) delivery of counterpart signature pages or, in the case of an Additional Purchaser, an Instrument of Adherence as attached hereto as Exhibit C to this Agreement.

2. **Stock Purchase Agreement.** Each Purchaser understands and agrees that the conversion of the Notes into equity securities of the Company will require such Purchaser's execution of certain agreements relating to the purchase and sale of such securities as well as any rights relating to such equity securities.

3. **Representations and Warranties of the Company.** The Company hereby represents and warrants to each Purchaser that except as set forth on a Schedule of Exceptions attached hereto as Exhibit D, which exceptions shall be deemed to be representations and warranties as of the Initial Closing:

(a) **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 now conducted and as proposed to be conducted. The Company is duly qualified to transact business and is in good standing in the State of Illinois and in each jurisdiction in which the failure so to qualify would have a material adverse effect on its business or properties.

(b) **Authorization.** This Agreement and the Notes (collectively, the "Agreements") and the stock issuable upon conversion or exercise of the Notes have been duly authorized by the Board of Directors of the Company. Each of the 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 as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general application affecting enforcement of creditors' rights

generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(c) **Capitalization.** The authorized capital of the Company consists, or will consist, immediately prior to the Initial Closing, of:

(i) 43,496,502 shares of the Company's preferred stock, \$0.01 par value per share (the "Existing Preferred Stock"), of which (A) 3,499,020 shares have been designated Series A-1 Preferred Stock, all of which are issued and outstanding immediately prior to the Initial Closing, (B) 1,730,232 shares have been designated Series B Preferred Stock, 1,012,299 of which are issued and outstanding immediately prior to the Initial Closing, and (C) 38,267,250 shares have been designated Series B-1 Preferred Stock, 34,001,848 of which are issued and outstanding immediately prior to the Initial Closing. All of the outstanding shares of Existing Preferred Stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws.

(ii) 60,000,000 shares of the Company's common stock, \$0.001 par value per share (the "Common Stock"), 4,871,250 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 all applicable federal and state securities laws.

(iii) The Company has reserved 3,100,834 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2005 Equity Incentive Plan, duly adopted by the Board of Directors and approved by the Company's (the "2005 Stock Plan"). Of such reserved shares of Common Stock, as of the Initial Closing, no shares have been issued pursuant to restricted stock purchase agreements, options to purchase 3,100,834 shares of Common Stock have been granted and are currently outstanding, no options to purchase shares of Common Stock have been exercised, and no shares of Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the 2005 Stock Plan. The Company has reserved 5,000,000 shares of Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2015 Equity Incentive Plan, duly adopted by the Board of Directors and approved by the Company's (the "2015 Stock Plan"). Of such reserved shares of Common Stock, as of the Initial Closing, no shares have been issued pursuant to restricted stock purchase agreements, options to purchase 3,113,517 shares of Common Stock have been granted and are currently outstanding, no options to purchase shares of Common Stock have been exercised, and 1,886,483 shares of Common Stock remain available for issuance to officers, directors, employees and consultants pursuant to the 2015 Stock Plan.

(iv) A list of the stockholders, option holders and warrant holders of the Company, dated as of the date hereof, is included under Section 3(c) of the Schedule of Exceptions. Except as set forth in Section 3(c) of the Schedule of Exceptions, and except for the Notes and except for certain preemptive rights pursuant to that certain Investor Rights Agreement, dated April 1, 2005, as amended (the "Investor Rights Agreement"), among the Company and the Purchasers (as defined therein), 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.

(d) **Governmental Consents.** No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required 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 of 1933, as amended (the “Securities Act”).

(e) **Compliance with Other Instruments.** The Company is not in violation or default of any provisions of its Certificate of Incorporation or Bylaws or of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound or, of any provision of federal or state statute, rule or regulation applicable to the Company. The execution, delivery and performance of the 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.

(f) **Title to Property and Assets.** Except as set forth in Section 3(f) of the Schedule of Exceptions, the Company owns its property and assets free and clear of all mortgages, liens, loans and encumbrances, except such encumbrances and liens which arise in the ordinary course of business and do not materially impair the Company’s ownership or use of such property or assets. Except as set forth in Section 3(f) of the Schedule of Exceptions, with respect to the property and assets it leases, the Company is in material compliance with such leases and, to its knowledge, holds a valid leasehold interest free of any liens, claims or encumbrances.

(g) **Financial Statements.** The Company has made available to each Purchaser the following financial statements (the “Financial Statements”):

(a) An unaudited balance sheet, statements of income, retained earnings and cash flows of the Company for its fiscal year ended December 31, 2014; and

(b) An unaudited balance sheet, statement of income, retained earnings and cash flows of the Company for the three-months ended as of March 31, 2015.

The Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated, except that the unaudited Financial Statements do not contain footnotes required by generally accepted accounting principles. The Financial Statements fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the periods, indicated therein, subject to normal year-end audit adjustments.

(h) **Offering Valid.** Assuming the accuracy of the representations and warranties of Purchasers contained in Section 4 hereof, the offer, sale and issuance of the Securities will be exempt from the registration requirements of the Securities Act, and will have been registered or qualified (or are exempt from registration and qualification) under the

registration, permit or qualification requirements of all applicable state securities laws. Neither the Company nor any agent on its behalf has solicited or will solicit any offers to sell or has offered to sell or will offer to sell all or any part of the Securities to any person or persons so as to bring the sale of such Securities by the Company within the registration provisions of the Securities Act or any state securities laws.

(i) **No “Bad Actor” Disqualification.** The Company has exercised reasonable care, in accordance with U.S. Securities and Exchange Commission rules and guidance, to determine whether any Covered Person (as defined below) is subject to any Disqualification Event (as defined in Rule 506(d)(1)(i) through (viii) under the Securities Act). 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.

(j) **Executive Officers.** No executive officer or person nominated to become an executive officer of the Company (i) has been convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding minor traffic violations) or (ii) is or has been subject to any judgment or order of, or the subject of any pending civil or administrative action by the Securities and Exchange Commission or any self-regulatory organization.

4. **Representations and Warranties of the Purchasers.** Each Purchaser hereby represents and warrants to the Company that:

(a) **Authorization.** Such Purchaser has full power and authority to enter into this Agreement. This Agreement, when executed and delivered by the Purchaser, will constitute a valid and legally binding obligation of the Purchaser, enforceable in accordance with its terms, except 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.

(b) **Purchase Entirely for Own Account.** This Agreement is made with the Purchaser in reliance upon the Purchaser’s representation to the Company, which by the Purchaser’s execution of this Agreement, the Purchaser hereby confirms, that the Securities to be acquired by the Purchaser will be acquired for investment for the Purchaser’s own account, not

as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Securities. The Purchaser has not been formed for the specific purpose of acquiring any of the Securities.

(c) **Knowledge.** The Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities.

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

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

(f) **Legends.** The Purchaser understands that the Securities, and any securities issued in respect thereof or exchange therefor, may bear one or all of the following legends:

(i) "THE SECURITIES 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."

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

(g) **Accredited Investor.** The Purchaser is an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. The Purchaser further acknowledges and agrees that it has provided all such information to the Company as reasonably requested by the Company to confirm that the Purchaser is an “accredited investor” as required pursuant to Rule 506(c) of Regulation D promulgated under the Securities Act.

(h) **Foreign Investors.** If the Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Code), the 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. The Purchaser’s subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of the Purchaser’s jurisdiction.

(i) **Bad Actor Representation.** Neither the Purchaser, nor any person or entity (other than an Excluded Entity) with whom the Purchaser shares beneficial ownership of Company securities held of record by Purchaser, is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act. “**Excluded Entity**” means any entity that is deemed to share beneficial ownership over Company securities held of record by Purchaser solely by virtue of that entity’s being a party to an agreement with the Company and one or more other parties regarding (1) the voting power, which includes the power to vote, or to direct the voting of, such Company securities; and/or (2) the investment power, which includes the power to dispose, or to direct the disposition of, such Company securities.

5. **Lock-up Agreement.**

(a) **Lock-up Period; Agreement.** In connection with the initial public offering of the Company’s securities and upon request of the Company or the underwriters managing such offering of the Company’s securities, each Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company, however or whenever acquired (other than those included in the registration), without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the Company’s initial public offering; provided, however, that each Purchaser shall be released from such lock-up agreement if any of the Company’s officers or directors are released from their similar agreements. Withstanding the foregoing, the Company shall use its best efforts (x) to cause any such agreement to contain a phased release from the lock-up period contained in the agreement based on the Company’s achievement of certain performance milestones and (y) to any early release from the lock-up person contained in any such agreement to be apportioned pro rata among all securityholders bound by the lock-up period.

(b) **Limitations.** The obligations described in Section 5(a) shall apply only if all officers and directors of the Company, all one-percent securityholders, and all other persons with registration rights (whether or not pursuant to this Agreement) enter into similar agreements, and shall not apply to a registration relating solely to employee benefit plans, or to a registration relating solely to a transaction pursuant to Rule 145 under the Securities Act.

(c) **Stop-Transfer Instructions.** In order to enforce the foregoing covenants, the Company may impose stop-transfer instructions with respect to the securities of each Purchaser (and the securities of every other person subject to the restrictions in Section 5(a)).

(d) **Transferees Bound.** Each Purchaser agrees that prior to the Company's initial public offering it will not transfer securities of the Company unless each transferee agrees in writing to be bound by all of the provisions of this Section 5.

6. **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 each Closing, of each of the following conditions, unless otherwise waived:

(a) **Representations and Warranties.** The representations and warranties of the Company contained in Section 3 shall be true on and as of the Initial Closing with the same effect as though such representations and warranties had been made on and as of the date of the Initial Closing.

(b) **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 Securities pursuant to this Agreement shall be obtained and effective as of such Closing.

(c) **Waivers and Consents.** All necessary waivers and consents required in connection with the transactions contemplated under this Agreement have been obtained, including, without limitation, with respect to any rights of first offer to participate in issuances of the Company's securities as set forth in the Investor Rights Agreement.

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

(a) **Representations and Warranties.** The representations and warranties of each Purchaser contained in Section 4 shall be true on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing.

(b) **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 Securities pursuant to this Agreement shall be obtained and effective as of the Closing.

(c) **Confirmation of Accredited Investor Status.** The Purchaser shall have provided all information reasonably requested by the Company for the Company to confirm that

the Purchaser is an “accredited investor” pursuant to Rule 506(c) of Regulation D promulgated under the Securities Act.

8. **Series B-1 Preferred Stock.** The Company hereby agrees that any shares of the Company’s Series B-1 Preferred Stock issued upon conversion of the Notes will be subject to and entitled to the benefits and privileges of the Company’s Investors Rights Agreement, dated as of April 1, 2005, as amended to date.

9. **Miscellaneous.**

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

(b) **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.

(c) **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.

(d) **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.

(e) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the party to be notified at such party’s address or facsimile number as set forth below or as subsequently modified by written notice.

(f) **Amendments and Waivers.** Any term of this Agreement may be amended or waived only with the written consent of the Company and the Majority Holders. Any amendment or waiver effected in accordance with this Section 9(f) shall be binding upon each Purchaser and each transferee of the Securities, each future holder of all such Securities, and the Company.

(g) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be

excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(h) **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 existing between the parties hereto are expressly canceled.

(i) **Exculpation Among Purchasers.** Each 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 for any action heretofore or hereafter taken or omitted to be taken by any of them in connection with the Securities.

[Signature Pages Follow]

The parties have executed this Convertible Note Purchase Agreement as of the date first written above.

COMPANY:

SWORD DIAGNOSTICS, INC.

By: _____

Name: David Dingott

Title: President

Address: 12761 Forsyth St, Suite 105, Carmel, IN 46032

The parties have executed this Convertible Note Purchase Agreement as of the date first written above.

PURCHASER:

(Printed Name of Individual or Entity Executing this Counterpart Signature Page)

By: _____

Signature

(If signature is by an officer on behalf of a corporation or by an executor, administrator, trustee, guardian, attorney, agent or any other person acting in a fiduciary or representative capacity, please provide name and capacity where indicated below.)

Name: _____

Capacity: _____

Address: _____

Principal
Amount: \$ _____

EXHIBIT A

SCHEDULE OF PURCHASERS

**Name/Address
of Purchaser**

Total Original Principal Amount of Note

TOTAL

\$

EXHIBIT B

FORM OF PROMISSORY NOTE

EXHIBIT C

FORM OF INSTRUMENT OF ADHERENCE

Instrument of Adherence to
Convertible Note Purchase Agreement

Reference is made to that certain Convertible Note Purchase Agreement, dated as of _____, 2015, a copy of which is attached hereto (as amended and in effect from time to time, the “Agreement”), among Sword Diagnostics, Inc., a Delaware corporation (the “Company”), and the Purchaser, as such term is defined therein. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Agreement.

The undersigned, _____, in connection with his, her or its purchase of a Note in the aggregate principal amount of \$_____, hereby agrees that, from and after the date hereof, the undersigned has become a party to the Agreement and is entitled to all of the benefits under, and is subject to all of the obligations, restrictions and limitations set forth in, the Agreement that are applicable to the Purchasers. This Instrument of Adherence shall take effect and shall become a part of the Agreement immediately upon acceptance by the Company.

This Instrument of Adherence is executed as of the date set forth below under the domestic substantive laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other state.

Name: _____

Signature: _____

Address: _____

Date: _____

ACCEPTED:

SWORD DIAGNOSTICS, INC.

By: _____

Name:

Title:

Date: _____

EXHIBIT D

SCHEDULE OF EXCEPTIONS

Schedule 4(b): Authorization

The Company may need to amend its certificate of incorporation to authorize a sufficient number of shares of its Series B-1 Preferred Stock and/or Financing Preferred Stock for issuance upon conversion of the Notes.

Schedule 4(c): Cap Table

See attached cap table of the Company.

Schedule 4(f): Liens

The Company has granted a lien to Bryn Mawr Equip. Finance, Inc. (“Bryn Mawr”) on certain equipment financed by Bryn Mawr.

	COMMON STOCK			SERIES A-1	SERIES B		SERIES B-1		OUTSTANDING		FULLY-DILUTED	
Stockholder	Common Stock Issued	Common Stock Options	Common Stock Warrants	Series A-1 Preferred	Series B Preferred	Series B Warrants	Series B-1 Preferred	Series B-1 Warrants	Total Outstanding	% Outstanding	Total Fully-Diluted	% Fully-Diluted
NJTC Venture Fund SBIC, L.P.	-	-	-	2,591,569	-	-	7,758,846	483,907	10,350,415	23.857%	10,834,322	21.035%
David Dingott	3,800,000	750,000	-	-	-	-	161,857	581,525	3,961,857	9.132%	5,293,382	10.277%
Vencore Solutions LLC	-	-	-	-	-	717,933	3,328,106	675,632	3,328,106	7.671%	4,721,671	9.167%
Indiana 21st Century Fund, L.P.	-	-	-	-	-	-	3,633,154	854,116	3,633,154	8.374%	4,487,270	8.712%
Richard Kincaid	-	-	-	-	-	-	4,248,807	226,338	4,248,807	9.793%	4,475,145	8.688%
David Fischell	-	-	-	389,137	-	-	1,317,903	-	1,707,040	3.935%	1,707,040	3.314%
Alan Wayne Tamarelli	-	-	-	414,651	-	-	952,780	24,341	1,367,431	3.152%	1,391,772	2.702%
Calvert Social Investment Fund	-	-	-	-	-	-	1,264,108	34,164	1,264,108	2.914%	1,298,272	2.521%
Frederick Gahl	-	-	-	-	-	-	1,049,022	155,447	1,049,022	2.418%	1,204,469	2.338%
Illinois Department of Commerce and Economic Opportunity	-	-	-	-	-	-	953,194	192,176	953,194	2.197%	1,145,370	2.224%
Scott Pasettiner	-	-	-	-	-	-	1,026,652	6,832	1,026,652	2.366%	1,033,484	2.006%
CRB Federal, LLC	-	-	-	-	-	-	833,683	192,008	833,683	1.922%	1,025,691	1.991%
Jonathan Wacks	950,000	-	-	-	-	-	-	-	950,000	2.190%	950,000	1.844%
James McCormick	-	-	-	-	-	-	664,584	15,373	664,584	1.532%	679,957	1.320%
Heartland Angels Sword Diagnostics LLC	-	-	-	-	627,882	-	-	-	627,882	1.447%	627,882	1.219%
Steven Gold	-	210,220	-	-	-	-	359,360	55,516	359,360	0.828%	625,096	1.214%
Banquer Revocable Trust	-	-	-	-	-	-	469,698	98,222	469,698	1.083%	567,920	1.103%
Poptech, LP	-	-	-	-	-	-	434,406	85,411	434,406	1.001%	519,817	1.009%
BioMed Realty Holdings	-	-	-	-	-	-	422,310	77,614	422,310	0.973%	499,924	0.971%
NJTC Investment Partners LLC	-	-	-	-	-	-	497,493	-	497,493	1.147%	497,493	0.966%
American Estate & Trust, LC FBO Donald McGarrah	-	-	-	-	-	-	375,062	85,411	375,062	0.865%	460,473	0.894%
Mesirow Financial Inc. TR Richard R. Taylor PSP Acct. 8800-0092	-	-	-	-	-	-	433,727	8,540	433,727	1.000%	442,267	0.859%
Gail Page	-	300,000	-	-	-	-	102,887	25,623	102,887	0.237%	428,510	0.832%
Samar Kundu	-	355,000	-	-	-	-	-	-	-	0.000%	355,000	0.689%
Justin Alden	-	-	-	-	-	-	265,529	51,247	265,529	0.612%	316,776	0.615%
Aegon Ltd.	-	-	-	103,663	-	-	146,910	-	250,573	0.578%	250,573	0.486%
BizAccel	-	250,000	-	-	-	-	-	-	-	0.000%	250,000	0.485%
Robert Donoho	-	250,000	-	-	-	-	-	-	-	0.000%	250,000	0.485%
Mel Schatz	-	246,745	-	-	-	-	-	-	-	0.000%	246,745	0.479%
Richard W. Treharn III, Living Trust dated March 15, 1994	-	-	-	-	-	-	183,974	42,705	183,974	0.424%	226,679	0.440%
Joette Kompare	-	202,500	-	-	-	-	-	-	-	0.000%	202,500	0.393%
Donna M. Salvatore	-	-	-	-	-	-	151,485	34,164	151,485	0.349%	185,649	0.360%
Thomas M. Uhlman	-	-	-	-	-	-	179,103	1,708	179,103	0.413%	180,811	0.351%
Charles Ginsburg	-	180,000	-	-	-	-	-	-	-	0.000%	180,000	0.349%
Bloody Foreland LP	-	-	-	-	-	-	165,918	2,135	165,918	0.382%	168,053	0.326%
Lakshman P. Singh	-	-	-	-	-	-	154,327	-	154,327	0.356%	154,327	0.300%
James Brooks	-	-	-	-	-	-	154,267	-	154,267	0.356%	154,267	0.300%
I. Peter Wolff	-	-	-	-	-	-	117,404	25,623	117,404	0.271%	143,027	0.278%
Paul B. Weiss	-	-	-	-	-	-	109,443	21,352	109,443	0.252%	130,795	0.254%
IRA Services Trust Company CFBO: Kimberly A. Gaskins Lewis IRA Account #481804	-	-	-	-	-	-	104,656	25,623	104,656	0.241%	130,279	0.253%
John A. Torre	-	-	-	-	-	-	108,835	21,352	108,835	0.251%	130,187	0.253%
Ann Arbetter Fischell, as Trustee of the Ann Arbetter Fischell Living Trust	-	-	-	-	128,139	-	-	-	128,139	0.295%	128,139	0.249%

Fordham Group	-	-	-	-	128,139	-	-	-	128,139	0.295%	128,139	0.249%
Ken Kay	-	-	-	-	128,139	-	-	-	128,139	0.295%	128,139	0.249%
Robert A. Rintel	-	-	-	-	-	-	105,091	21,352	105,091	0.242%	126,443	0.245%
John Wolfe	-	-	-	-	-	-	104,927	21,352	104,927	0.242%	126,279	0.245%
Sandy Lynch	-	118,500	-	-	-	-	-	-	-	0.000%	118,500	0.230%
Konstantin Kostov	-	-	-	-	-	-	109,109	7,601	109,109	0.251%	116,710	0.227%
Matthew Cowan	-	-	-	-	-	-	96,728	6,832	96,728	0.223%	103,560	0.201%
Neal Siegel	100,000	-	-	-	-	-	-	-	100,000	0.230%	100,000	0.194%
Richard R. Taylor, PSP	-	-	-	-	-	-	79,032	-	79,032	0.182%	79,032	0.153%
Warren Spar	-	-	-	-	-	-	77,304	-	77,304	0.178%	77,304	0.150%
David M. Smith	-	-	-	-	-	-	77,245	-	77,245	0.178%	77,245	0.150%
John K. Patberg Trust Dated 10/31/12	-	-	-	-	-	-	77,245	-	77,245	0.178%	77,245	0.150%
David Gange	-	-	-	-	-	-	77,238	-	77,238	0.178%	77,238	0.150%
DRG Partners LLC	-	-	-	-	-	-	77,238	-	77,238	0.178%	77,238	0.150%
David P. Bikle Trust U/W FBO Matilda Young	-	-	-	-	-	-	77,229	-	77,229	0.178%	77,229	0.150%
Lerner Living Trust dated 11/28/98	-	-	-	-	-	-	77,229	-	77,229	0.178%	77,229	0.150%
Mahesh Yadav	-	-	-	-	-	-	77,229	-	77,229	0.178%	77,229	0.150%
Todd Gershkowitz	-	-	-	-	-	-	77,112	-	77,112	0.178%	77,112	0.150%
Randall S. McIntyre	-	-	-	-	-	-	71,296	5,124	71,296	0.164%	76,420	0.148%
James Koziarz	-	70,000	-	-	-	-	-	-	-	0.000%	70,000	0.136%
Harvey I. Kantor	-	-	-	-	-	-	43,017	8,882	43,017	0.099%	51,899	0.101%
John Suryan	-	-	-	-	-	-	43,225	8,541	43,225	0.100%	51,766	0.101%
Timothy J. Bortree	-	-	-	-	-	-	48,130	3,416	48,130	0.111%	51,546	0.100%
Charles Brumlik	-	-	-	-	-	-	49,784	1,152	49,784	0.115%	50,936	0.099%
Bradley L. Gummow TTEE, Bradley L. Gummow Lvg. Tr. Dated July 6, 2010	-	-	-	-	-	-	47,390	3,416	47,390	0.109%	50,806	0.099%
N. Josephine Polich	-	-	-	-	-	-	42,017	8,541	42,017	0.097%	50,558	0.098%
Howard E. Lubert	-	-	-	-	-	-	41,512	8,541	41,512	0.096%	50,053	0.097%
Clifford J. Turner d/b/a DNArP Consulting LLC	-	-	-	-	-	-	46,350	3,229	46,350	0.107%	49,579	0.096%
Alan Taffel	-	-	-	-	-	-	40,829	8,541	40,829	0.094%	49,370	0.096%
CapGenic Advisors, LLC	-	-	-	-	-	-	39,715	8,968	39,715	0.092%	48,683	0.095%
Barry E. McKinley	-	-	-	-	-	-	37,890	8,541	37,890	0.087%	46,431	0.090%
Christopher P. Gutek	-	-	-	-	-	-	32,271	6,405	32,271	0.074%	38,676	0.075%
Brian Lehmann	-	13,666	-	-	-	-	15,908	3,416	15,908	0.037%	32,990	0.064%
Cary Costa	-	-	-	-	-	-	30,894	-	30,894	0.071%	30,894	0.060%
Daniel Conley	-	-	-	-	-	-	30,894	-	30,894	0.071%	30,894	0.060%
Carol Banquer	-	29,000	-	-	-	-	-	-	-	0.000%	29,000	0.056%
First Liberties Financial	-	-	26,250	-	-	-	-	-	-	0.000%	26,250	0.051%
Alternative Investment Resources	-	-	25,628	-	-	-	-	-	-	0.000%	25,628	0.050%
Bernard & Helene Rudnick, Joint Tenants	-	-	-	-	-	-	21,280	4,270	21,280	0.049%	25,550	0.050%
David Brown	-	25,000	-	-	-	-	-	-	-	0.000%	25,000	0.049%
David Giddings	-	25,000	-	-	-	-	-	-	-	0.000%	25,000	0.049%
Demetri Argyropoulos	-	25,000	-	-	-	-	-	-	-	0.000%	25,000	0.049%
Edward Erickson	-	25,000	-	-	-	-	-	-	-	0.000%	25,000	0.049%
Thomas Weschler	21,250	-	-	-	-	-	-	-	21,250	0.049%	21,250	0.041%
Brittany Williams	-	10,000	-	-	-	-	-	-	-	0.000%	10,000	0.019%
Scott Nelson	-	8,541	-	-	-	-	-	-	-	0.000%	8,541	0.017%
Charles Korn	-	5,124	-	-	-	-	-	-	-	0.000%	5,124	0.010%
Pia Gargiulo	-	1,538	-	-	-	-	-	-	-	0.000%	1,538	0.003%
							-					
TOTAL	4,871,250	3,100,834	51,878	3,499,020	1,012,299	717,933	34,001,848	4,252,225	43,384,417		51,507,287	



Investor Suitability Questionnaire

Investor Name		
Employment Status	Occupation	
Securities Industry Affiliation		
Are you employed by or associates with the securities industry or a financial services regulator?		
Yes [list associated firm(s) or organization(s) below]: No		
Firm Name(s)	Location(s) (City, State)	
_____	_____	

Registered Address		
Mailing Address (if different from above):		
Primary Contact Daytime Phone	Primary Contact Mobile Phone	Primary Contact Fax
By providing your email address, you agree that Zacks IB may send all official communication to the above email address.		
Primary Contact Email Address		

Continued on next page

Suitability: Financial Information

Annual Income In what range is your annual income? (includes employment, alimony, social security, investment, and all other income) \$0-\$50,000 \$50,001-\$100,000 \$100,001-\$250,000 \$250,001-\$500,000 Over \$500,000	Estimated Net Worth What is your total net worth? (Calculated as assets minus liabilities, excluding your residence) \$0-\$100,000 \$100,001-\$250,000 \$250,001-\$500,000 \$500,001-\$1,000,000 Over \$1,000,001	Liquid Net Worth What is your liquid net worth? (Includes liquid investments) \$0-\$100,000 \$100,001-\$250,000 \$250,001-\$500,000 \$500,001-\$1,000,000 Over \$1,000,001
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Source of Funds <div> <div>Income</div> <div>Gift</div> <div>Inheritance</div> </div> <div> <div>Pension or retirement savings</div> <div>Sale of business or property</div> <div>Social Security Benefits</div> </div> <div> <div>Funds from another account</div> <div>Insurance payout</div> <div>Other:</div> </div>		
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Assets Held Away In the table below, please list in the columns the amount and the percentage of your assets held away in each of the asset categories listed on the left. <table border="1"> <thead> <tr> <th>Type of Asset</th> <th>Amount(U.S. Dollars)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>Stocks</td><td></td><td></td></tr> <tr><td>Bonds</td><td></td><td></td></tr> <tr><td>Options</td><td></td><td></td></tr> <tr><td>Commodities</td><td></td><td></td></tr> <tr><td>Fixed Insurance</td><td></td><td></td></tr> <tr><td>Variable Insurance</td><td></td><td></td></tr> <tr><td>Mutual Funds</td><td></td><td></td></tr> <tr><td>Real Estate</td><td></td><td></td></tr> <tr><td>Energy</td><td></td><td></td></tr> </tbody> </table>	Type of Asset	Amount(U.S. Dollars)	Percentage	Stocks			Bonds			Options			Commodities			Fixed Insurance			Variable Insurance			Mutual Funds			Real Estate			Energy			Tax Status For which tax bracket did you qualify on your most recent U.S. tax return? <table> <tr> <td>15%</td> <td>20%</td> </tr> <tr> <td>25%</td> <td>28%</td> </tr> <tr> <td>33%</td> <td>35% or Higher</td> </tr> </table> Did not file (explain):	15%	20%	25%	28%	33%	35% or Higher
Type of Asset	Amount(U.S. Dollars)	Percentage																																			
Stocks																																					
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Mutual Funds																																					
Real Estate																																					
Energy																																					
15%	20%																																				
25%	28%																																				
33%	35% or Higher																																				

Liquidity Needs Liquidity is the ability to quickly and easily convert to cash all or a portion of the investments in this account without experiencing significant loss in value from, for example, the lack of a ready market, or incurring significant costs or penalties. Please check only one box that best describes how important liquidity is for you: <div> <div>Very Important</div> <div>Does not matter</div> </div> <div> <div>Important</div> <div>Special liquidity needs</div> </div> <div> <div>Somewhat Important</div> </div>
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Expenses		
What are your annual expenses? (recurring expenses; could include mortgage payments, rent, long-term debts, utilities, alimony, and child support payments)	What are your special expenses? (future, non-recurring; could include a home purchase, home remodeling, a car purchase, education, and medical expenses)	Timeframe for your special expenses: (in how many years do you expect to finish paying for your special expenses?)
\$50,000 and under	\$50,000 and under	Within 2 years
\$50,001- \$100,000	\$50,001- \$100,000	3-5 years
\$100,001- \$250,000	\$100,001- \$250,000	6-10 years
\$250,001- \$500,000	\$250,001- \$500,000	10-20 years
over \$500,001	over \$500,001	Over 20 years

Investment Objectives

Investment Objectives

Please read the below investment objectives and check all that apply:

Speculation: I am willing to accept maximum risk to my initial principal to aggressively seek maximum returns, and understand I could lose most, or all, of the money invested.

Growth: I am willing to accept high risk to my initial principal, including high volatility, to seek higher returns over time, and understand I could lose a substantial amount of the money invested.

Income: I am willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns, and understand I could lose a portion of the money invested

Tax Advantage: I am willing to accept low risk to my initial principal, including low volatility, to seek a modest level of portfolio returns.

Safety of Principal: I want to preserve my initial principal, with minimal risk, even if that means this account does not generate significant income or returns and may not keep pace with inflation.

Other: please use this space to describe.

Risk Tolerance and Investment Experience

Risk Tolerance

Investing involves risk. Different investment products and strategies involve different degrees of risk. The higher the expected returns of a product or strategy, the greater the risk that you could lose most of your investment. Investments should be chosen based on your objectives, timeframe, and tolerance for market fluctuations. Based on this, select the degree of risk you are willing to take with the assets in this account:

Conservative

Moderately Conservative

Moderate

Moderately Aggressive

Significant Risk

Time Horizon

In how many years do you expect to achieve your objectives?

Under 1 year

6–10 years

1–2 years

11–20 years

3–5 years

Over 20 years

Investment Experience

Please fill in your amount (in years) of experience with each of the following:

Stocks

Options

Bonds

Commodities

Real estate

Energy

Mutual Funds

Venture Capital

Private Equity

Start-up's

General Investment Experience

Limited

Good

Extensive

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Signature page to follow

Signature Page

Authorized Signature

My signature below certifies that I am an authorized individual for the above account and the information provided in this document is complete and accurate

The Customer:

_____	_____	_____
Authorized Signature	Printed Name	Date (mm/dd/yyyy)

Registered Representative:

_____	_____	_____
Authorized Signature	Printed Name	Date (mm/dd/yyyy)

Principal Approval:

_____	_____	_____
Authorized Signature	Printed Name	Date (mm/dd/yyyy)