



THIS NOTE IS SUBJECT TO THE TERMS AND CONDITIONS OF THAT CERTAIN CONVERTIBLE NOTE AND WARRANT PURCHASE AGREEMENT, BETWEEN THE COMPANY AND THE HOLDER, OF EVEN DATE HEREWITH.

No. \_\_\_\_\_

10,000,000 Indian Rupees (\$125,000 USD)

## CS PILLAI VENTURES PRIVATE LIMITED

### UNSECURED CONVERTIBLE NOTE

\_\_\_\_\_, 20\_\_

FOR VALUE RECEIVED, CS PILLAI VENTURES PRIVATE LIMITED, (the “**Company**”), promises to pay to the order of \_\_\_\_\_ (the “**Holder**”), the principal amount of 10,000,000 Indian Rupees (\$125,000 USD). The unpaid balance of the principal amount shall accrue interest at the rate of nine percent (9%) per annum. Except as otherwise provided herein and subject to optional and mandatory conversion as provided below, principal and interest shall become due and payable to the Holder of this Convertible Note (this “**Note**”) on the earlier to occur of (i) \_\_\_\_\_ (the “**Scheduled Maturity Date**”), (ii) upon an Event of Default (as defined in Section 4 below) or (iii) immediately prior to any Change of Control of the Company (such earliest date, the “**Maturity Date**”). The Maturity Date may be extended by a vote of the Required Holders.

This Note is one of the Notes referred to in and is executed and delivered in connection with that certain Convertible Note Purchase Agreement dated as of \_\_\_\_\_ by and between the Company and the Purchasers named therein (the “**Purchase Agreement**”). Additional rights of the Holder are set forth in the Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Purchase Agreement.

1. Conversion.

a. Automatic Conversion Upon a Qualified Financing. Prior to the Maturity Date, upon the consummation of a private equity sale by the Company (in a single transaction or a series of related transactions) of any equity securities in which either (i) the

Company receives aggregate proceeds of at least 50,000,000 (Fifty Million) Indian Rupees (\$625,000 USD) (excluding any proceeds from the conversion of the principal of and accrued interest on the Notes) or (ii) upon the written consent of the Required Holders to any other equity financing (each, a “**Qualified Financing**”), the outstanding principal amount of this Note and any accrued but unpaid interest thereon shall be converted into the same class or series of equity securities as shall be issued in the Qualified Financing (the “**Financing Securities**”). Any such conversion shall be at a conversion price equal to the per share price had the Financing Securities been sold based on a fully-diluted pre-money valuation for the Company (assuming the exercise of all options, warrants and convertible securities) of 50,000,000 (Fifty Million) Indian Rupees (\$625,000 USD). The number of shares of Financing Securities to be issued upon such conversion shall be equal to the quotient obtained by dividing (i) the sum of (A) the outstanding principal amount of this Note and (B) any accrued but unpaid interest on this Note, by (ii) the applicable conversion price rounded down to the nearest whole share, and the issuance of such shares upon such conversion shall be upon and subject to the same terms and conditions applicable to the Financing Securities sold in such Qualified Financing.

b. Automatic Conversion on Scheduled Maturity Date. In the event that a Qualified Financing has not occurred on or before the Scheduled Maturity Date, the outstanding principal amount of this Note and any accrued but unpaid interest thereon shall be converted into a new series of preferred stock (such new security, the “**Series A Preferred Stock**”). Any such conversion shall be at a conversion price equal to the per share price had the Series A Preferred Stock been sold based on a fully-diluted pre-money valuation for the Company (assuming the exercise of all options, warrants and convertible securities) equal to 50,000,000 (Fifty Million) Indian Rupees (\$625,000 USD). The number of shares of Series A Preferred Stock to be issued upon such conversion shall be equal to the quotient obtained by dividing (i) the sum of (A) the outstanding principal amount of this Note and (B) any accrued but unpaid interest on this Note, by (ii) the applicable conversion price rounded down to the nearest whole share. Holder will execute and deliver all documents and agreements as may be reasonably requested by the Company in order to effectuate such conversion, provided that all Holders are equally subject to such terms and conditions. Holder agrees and acknowledges that, due to the operation of this Section 1(b), the Company is under no obligation to repay the Note as of the Scheduled Maturity Date.

c. Conversion Procedures. Upon conversion, the Holder shall deliver the Note to the Company, and the Company shall deliver to the Holder a certificate representing that number of shares into which the Holder has converted the principal and interest at such rate. The principal so converted shall be deemed fully paid, and interest shall not thereafter accrue on such amounts. In the event Holder converts this Note into Equity Securities as provided above, no fractional shares will be issued in connection with such conversion. In lieu of fractional shares which would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the per share price used in the conversion. The Note must be converted in whole and may not be converted in part.

d. Notice of Certain Events. At least ten (10) business days prior to the closing of any transaction which (i) may result in a conversion of this Note pursuant to Section 1(a) or 1(b) or (ii) would result in a Change of Control, then, and in each such case, the Company will give to the Holder of this Note a notice specifying, as the case may be, the

proposed closing date of the transaction and the principal terms thereof, to the extent then known.

2. Certain Covenants of the Company. The Company covenants and agrees that for so long as the Notes are outstanding, the Company will not, without the affirmative vote of the Purchasers holding a majority in interest of the Notes (the “**Noteholders Majority**”):

a. incur any indebtedness other than (i) trade debt in the ordinary course of business on terms acceptable to the Required Holders, (ii) purchase money indebtedness secured only by new equipment purchases, (iii) the sale of additional Notes as expressly contemplated by the Purchase Agreement and (iv) indebtedness expressly subordinated to and junior to the Notes (collectively, “**Permitted Indebtedness**”);

b. create, incur, or allow any lien on any of its property, or assign or convey any right to receive income, including the sale of any accounts receivable, or permit any of its subsidiaries to do so, except with respect to Permitted Indebtedness (the “**Permitted Liens**”); or

c. make any repayment of indebtedness other than Permitted Indebtedness.

3. Ranking. The principal of and interest on this Note shall be an unsecured obligation of the Company and shall be senior to all other indebtedness of the Company other than Permitted Indebtedness.

4. Change of Control. If, prior to repayment or conversion of this Note, the Company suffers or permits a Change of Control, then, immediately prior to the consummation of such Change of Control, the Holder shall be entitled to receive an amount equal to the consideration such Holder would receive had all of the outstanding principal amount of this Note and any accrued but unpaid interest thereon been converted into the Company’s Common Stock at a per share price based on a fully-diluted pre-money valuation for the Company (assuming the exercise of all options, warrants and convertible securities) of 50,000,000 (Fifty Million) Indian Rupees (\$625,000 USD). A **Change of Control** shall mean any sale or merger of the Company in one or a series of transactions (including any joint venture or other business combination in which the Company’s shareholders immediately prior to the transaction own less than 50% of the combined company immediately following the transaction) or the sale of all or substantially all of its assets.

5. Prepayment; Partial Forgiveness. This Note may not be prepaid, in whole or in part, prior to the Maturity Date absent the written approval of the Noteholders Majority.

6. Events of Default. This Note shall become due and payable immediately following the affirmative vote of the Required Holders upon any of the following events, herein called “**Events of Default**”):

a. failure to repay amounts due and owing under the Notes when and as the same shall become due and payable;

b. application for, or consent to, the appointment of a receiver, trustee or liquidator for the Company or any of its properties;

c. general assignment by the Company for the benefit of creditors;

d. filing by the Company of a voluntary petition in bankruptcy or a petition or an answer seeking reorganization, or an arrangement with creditors or if the Company is insolvent as evidenced by an inability to discharge in full any payroll or other current obligations for any one month period;

e. entering against the Company of a court order approving a petition filed against it under the federal bankruptcy laws, which order shall not have been vacated or set aside or otherwise terminated within 60 days;

f. breach by the Company of any of the representations, warranties or covenants set forth in the Notes or the Purchase Agreement if such breach has not been cured by the Company within ten business days following written notice by the Required Holders;

g. if there occurs (i) any Material Adverse Change or (ii) a material impairment of the value or priority of the Secured Assets;

h. if any material portion of the Company's assets is attached, seized, levied on, or comes into possession of a trustee or receiver and the attachment, seizure or levy is not removed in 10 days, or if the Company is enjoined, restrained, or prevented by court order from conducting a material part of its business or if a judgment or other claim becomes a lien on a material portion of the Company's assets, or if a notice of lien, levy, or assessment is filed against any of the Company's assets by any government agency and not paid within 10 days after the Company receives notice; or

i. if there is a default in any agreement between the Company and a third party that gives the third party the right to accelerate any indebtedness exceeding \$25,000 or that could cause a Material Adverse Change or if a money judgment(s) in the aggregate of at least \$25,000 is rendered against the Company and is unsatisfied and unstayed for 10 days.

7. Delivery of Financial Statements. Until the Maturity Date, the Company shall deliver to any Holder holding Notes:

a. as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of stockholder's equity as of the end of such fiscal year, and a statement of cash flows for such fiscal year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles;

b. as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited balance sheet and statements of income and cash flows for and as of the end of such fiscal quarter; and

c. such other information relating to the financial condition, business, prospects or corporate affairs of the Company as Holder may from time to time reasonably request; provided, however, that the Company shall be allowed a reasonable time to process such request, and provided further, that the Company shall have the right to omit to provide Holder certain information if the Company believes in good faith that such exclusion or omission is necessary in order to (i) preserve the Company's confidential or proprietary information or attorney-client privilege, or (ii) fulfill the Company's obligations with respect to confidential or proprietary information of third parties.

8. Transferability. This Note shall be transferable and assignable by Holder (in whole and not in part) at any time subsequent to the date hereof subject to the requirement (i) that any transferee or assignee of this Note must first agree in writing, in a form reasonably acceptable to the Company, to be bound by the terms of this Note, (ii) that any such assignment or transfer be, in the reasonable opinion of the Company's counsel, in full compliance with applicable state and federal securities laws and (iii) that any transferee agrees to execute a counterpart to the Purchase Agreement and otherwise make all of the representations and warranties of the Purchasers thereunder.

9. Successors and Assigns. All covenants, agreements and undertakings in this Note by or on behalf of any of the parties shall bind and inure to the benefit of the respective successors and assigns of the parties whether so expressed or not.

10. Notices. Any and all notices, requests, consents and demands required or permitted to be given hereunder shall be in writing and shall be deemed given and received (i) upon personal delivery, (ii) upon the first business day following the receipt of confirmation of facsimile transmission to the facsimile number as indicated below, or (iii) upon the third business day after deposit in the United States mail, by certified or registered mail, postage prepaid and addressed as follows:

To Holder: At the address set forth in the Purchase Agreement.

To the Company: At the address set forth in the Purchase Agreement.

Either party may change by notice the address to which notices to it are to be addressed by written notice thereof.

11. Amendment and Waiver. This Note may be amended or modified only by the written agreement of the Required Holders and the Company, it being agreed and understood by Holder that the consent of Holder may not be required to any such amendment or waiver and that Holder shall be deemed to have consented to such amendment or waiver so long as all Holders of the Notes are subject to the same amendment or waiver.

12. Non-Waiver and Other Remedies. No course of dealing or delay on the part of any holder of this Note in exercising any right shall operate as a waiver thereof or otherwise prejudice the right of any holder. No remedy conferred hereby shall be exclusive of

any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise. In case of any Event of Default, the Company will reimburse the Holder of this Note for its reasonable attorneys' fees incurred in connection with the enforcement of its rights hereunder. The Company hereby expressly waives presentment, demand for payment, dishonor, notice of dishonor, protest, notice of protest and any other formality.

13. Governing Law. This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Delaware without application of choice of law principles.

14. Entire Agreement. This Note and the Purchase Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous written or oral agreements, including any nonbinding term sheets.

IN WITNESS WHEREOF, this Note has been executed and delivered on the date specified by the duly authorized representatives of the Company.

“COMPANY”

CS PILLAI VENTURES PRIVATE  
LIMITED

By: \_\_\_\_\_  
Name, President

“HOLDER”

By: \_\_\_\_\_  
Debt Holder Name