

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 30, 2020

INPIXON

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction  
of incorporation)

001-36404

(Commission File Number)

88-0434915

(I.R.S. Employer  
Identification No.)

2479 E. Bayshore Road, Suite 195  
Palo Alto, CA

(Address of principal executive offices)

94303

(Zip Code)

Registrant's telephone number, including area code: (408) 702-2167

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	INPX	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

## **Item 1.01 Entry into a Material Definitive Agreement.**

### *Amendment to Systat License Agreement*

On June 30, 2020 (the “Closing Date”), Inpixon (the “Company”) entered into an amendment and waiver (the “Amendment”) to that certain Exclusive Software License and Distribution Agreement, dated as of June 19, 2020, with an effective date of June 1, 2020 (as amended by the Amendment, the “License Agreement”), with Cranes Software International Ltd., a company organized under the laws of India (“Cranes”), and Systat Software, Inc., a Delaware corporation (“Systat,” and together with Cranes, the “Systat Parties”), which agreement provides that Systat will grant the Company (a) an exclusive, worldwide license to use, modify, develop, market and distribute the Software, Software Source, User Documentation and related Systat Intellectual Property and (b) an exclusive, worldwide sub-license to use, modify, develop, market and distribute Software, Software Source, User Documentation and related Intellectual Property licensed to Systat by Cranes (collectively, the “Licenses”), on the terms and subject to the satisfaction of the conditions set forth in the License Agreement (the “Transaction”). All defined terms used herein and not otherwise defined have the meanings set forth in the License Agreement.

The Amendment provides that in connection with the closing of the Transaction, the Parties agree to waive certain of the closing delivery requirements set forth in Article 8 of the License Agreement, which shall be provided within ten (10) business days of the Closing Date (the “Extension Date”), provided, however, that the cash consideration of \$2.2 million (the “Cash Consideration”) will be delivered, at the Company’s option, by the later of the Extension Date or the date on which all such closing deliverables are actually delivered to the Company (the “Delivery Date”).

### *Closing of Systat License Transaction*

Following the execution of the Amendment, on the Closing Date, the Transaction closed and the Company acquired the Licenses. At the closing, the Company assigned Systat the Company’s right to receive \$3.0 million of the principal balance under that certain promissory note issued by Sysorex, Inc. (“Sysorex”) to the Company (the “Sysorex Note”) in accordance with the terms and conditions of that certain Promissory Note Assignment and Assumption Agreement, dated as of the Closing Date (the “Assignment Agreement”). An additional \$3.3 million of the principal balance will be assigned to Systat in accordance with the following schedule: (i) \$1.3 million on the three month anniversary of the Closing Date; (ii) \$1.0 million on the six month anniversary of the Closing Date; and (iii) \$1.0 million on the nine month anniversary of the Closing Date. Each assignment under the Sysorex Note will be represented by new secured promissory notes (each, a “Partitioned Note”). Pursuant to the Amendment, the Cash Consideration will be paid by the Company prior to the later of the Extension Date or the Delivery Date. In connection with the Assignment Agreement, the Company, Sysorex and Systat entered into that certain Intercreditor Agreement (the “Intercreditor Agreement”), pursuant to which the Company agreed that, to the extent any of the Partitioned Notes have not yet been assigned, transferred and conveyed by the Company to Systat pursuant to the Assignment Agreement, and to the extent that the Company has not exercised the Offset Right (as defined below), such that there remain obligations of Sysorex to the Company under the Sysorex Note, Sysorex’s obligation to make any payment to the Company pursuant to the Sysorex Note, including any costs and expenses (including, without limitation, reasonable attorneys’ fees) due thereunder, will be subordinate and junior to Sysorex’s obligation to make any payment to Systat under the Partitioned Notes, including any costs and expenses (including, without limitation, reasonable attorneys’ fees) due thereunder.

In connection with the grant of the Licenses, the Systat Parties provided the Equipment to the Company, for the Company to use at no additional cost for a minimum period of six months following the Closing Date. In addition, the Company has the right, but not the obligation, to assume all of the Systat Parties’ rights, interests, and obligations under the Systat Customer Contracts and the Systat Distribution Agreements. The Company is also entitled to any Customer Maintenance revenue, new license fees, or license renewal fees, received by any of the Systat Parties after June 1, 2020 in connection with the Systat Customer Contracts and/or Systat Distribution Agreements assigned to and assumed by the Company in connection with the License Agreement. The Licenses will remain in effect for a period of 15 years following the Closing Date (the “Term”), unless terminated sooner upon mutual written consent of Systat and the Company or upon termination by either for the other party’s specified breach. Upon termination or expiration of the License Agreement, Systat will have the right, but not the obligation, to assume certain customer, reseller and subdistributor contracts that were assigned to and assumed by the Company in connection with the License Agreement.

At any time during the first 5-year period of the Term, the Company may exercise its option to purchase the Software, Software Source, User Documentation, Systat Intellectual Property, Customer Information and Equipment (the "Assets") from the Systat Parties in exchange for an assignment of the Company's right to receive an additional \$1.0 million in principal under the Sysorex Note.

The Systat Parties have agreed to indemnify the Company, including its affiliates, related parties, officers, directors, agents and other representatives, from losses arising from or related to any third party claim or action relating to: (a) the license, distribution or use of the Products or Assets prior to the Closing Date, (b) a claim that the Products, the Software Source, or any other Systat Intellectual Property infringes any Intellectual Property rights of a third party, except where such claim of infringement is based on a modification of the Products or Software Source Modifications made by the Company, (c) any material inaccuracy in or breach of any representation and warranties of the Systat Parties or Starcom Information Technology Limited, a subdistributor of Systat ("Starcom"), contained in the Transaction Documents, (d) any breach or non-fulfillment of any covenant, agreement or obligations to be performed by the Systat Parties or Starcom pursuant to the Transaction Documents, and (e) except as described in the License Agreement, any termination, amendment or other modification to the Systat Distribution Agreements or other action that results in the termination or revocation of the rights granted to the Company. The Company, in its sole discretion, has the right to offset any losses, on a dollar for dollar basis, against the amount owed, or to be owed, by Sysorex to Systat under a Partitioned Note so long as such Partitioned Note remains outstanding (the "Offset Right"). To the extent the Company exercises the Offset Right, the amount of any losses made subject to the Offset Right shall first reduce, on a dollar for dollar basis, the amount owed by Sysorex to Systat under any Partitioned Note not yet conveyed to Systat (the "Retained Partitioned Note"), and will reinstate a payment obligation of Sysorex to the Company under the Sysorex Note in an amount equal to such losses, which will concurrently reduce the amount owed by Sysorex to Systat under the applicable Retained Partitioned Note by an amount equal to such losses.

Nadir Ali, the Company's chief executive officer and a director, is a related party in connection with the Transaction as a result of his service as a director of Sysorex, the issuer of the Sysorex Note that was assigned in accordance with the terms and conditions of the License Agreement. In addition, Tanveer Khader and Kareem Irfan, members of the Company's board of directors, are also related parties in connection with the Transaction as a result of their respective employment relationships with the Systat Parties.

The foregoing description of the Amendment, the License Agreement, the Assignment Agreement, the Partitioned Notes, the Intercreditor Agreement and the transactions contemplated thereby do not purport to be complete and are qualified in their entirety by reference to the full text of the Amendment, the License Agreement, the Assignment Agreement, the form of Partitioned Note and the Intercreditor Agreement, copies of which are filed as Exhibits 10.1, 10.2, 10.3, 99.1 and 10.4 to this Current Report on Form 8-K, respectively, and are incorporated by reference herein.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

The information set forth in Item 1.01 of this Current Report on Form 8-K, to the extent required by this Item 2.01, is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits****(d) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
10.1	<a href="#"><u>Amendment and Waiver to Exclusive Software License &amp; Distribution Agreement, dated as of June 30, 2020, by and among Inpixon, Cranes Software International Ltd., and Systat Software, Inc.</u></a>
10.2*	<a href="#"><u>Exclusive Software License and Distribution Agreement, dated as of June 19, 2020, by and among Inpixon, Cranes Software International Ltd., and Systat Software, Inc. (1)</u></a>
10.3	<a href="#"><u>Promissory Note Assignment and Assumption Agreement, dated as of June 30, 2020, by and between Inpixon, Systat Software, Inc. and Sysorex, Inc.</u></a>
10.4	<a href="#"><u>Intercreditor Agreement, dated as of June 30, 2020, among Inpixon, Sysorex, Inc. and Systat Software, Inc.</u></a>
99.1	<a href="#"><u>Form of Partitioned Note</u></a>

\* Schedules, exhibits and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. Inpixon hereby undertakes to furnish copies of such omitted materials supplementally upon request by the SEC.

(1) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed by the Company on June 22, 2020.

***Cautionary Note Regarding Forward-Looking Statements***

The information contained in this Current Report on Form 8-K and the exhibits attached hereto contain "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "intend," "may," "should," "would," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other comparable terminology are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. While the Company believes its plans, intentions and expectations reflected in those forward-looking statements are reasonable, these plans, intentions or expectations may not be achieved. The Company's actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements. For information about the factors that could cause such differences, please refer to the Company's filings with the SEC. Given these uncertainties, you should not place undue reliance on these forward-looking statements. The Company assumes no obligation to update any forward-looking statement.

**SIGNATURE**

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

**INPIXON**

Date: July 2, 2020

By: /s/ Nadir Ali  
Name: Nadir Ali  
Title: Chief Executive Officer

**AMENDMENT AND WAIVER  
TO EXCLUSIVE SOFTWARE LICENSE & DISTRIBUTION AGREEMENT**

This Amendment and Waiver to Exclusive Software License and Distribution Agreement (the “**Amendment**”) is dated as of June 30, 2020 and amends that certain Exclusive Software License and Distribution Agreement (the “**License Agreement**”), with an effective date as of June 1, 2020, by and among Cranes Software International Ltd., a company organized under the laws of India (“**Cranes**” which expression shall include its successors and permitted assigns wherever the context or meaning shall so require or permit), with a principal office located at #82 Presidency Building 3 & 4<sup>th</sup> Floor St. Mark's Road Bengaluru 560001, Systat Software, Inc., a Delaware corporation (“**Systat**” which expression shall include its successors and permitted assigns wherever the context or meaning shall so require or permit, with a principal office at 2107 North First Street, Suite 360, San Jose, CA 95131 USA (Systat, Cranes and each of their direct and indirect subsidiaries shall hereinafter be collectively referred to as the “**Systat Parties**”), and Inpixon, a Nevada corporation, with a principal office at 2479 East Bayshore Road, Suite 195, Palo Alto, CA 94303 (“**Inpixon**” which expression shall include its successors and assigns wherever the context or meaning shall so require or permit). All capitalized terms that are used and not defined elsewhere in this Amendment shall have the respective meanings assigned thereto in the License Agreement.

**RECITALS**

**WHEREAS**, the closing of the transactions contemplated by the License Agreement are subject to the satisfaction of certain conditions set forth in Article 8 of the License Agreement; and

**WHEREAS**, Section 10.6 of the License Agreement requires any amendment to the License Agreement to be signed by each of the Parties; and

**WHEREAS**, the Parties desire to proceed with the closing of the transactions described in the License Agreement as of June 30, 2020; and

**WHEREAS**, in connection with such closing, the Parties agree to waive certain of the closing delivery requirements set forth in Article 8 of the License Agreement, to be provided within ten (10) business days of the Closing Date (“**Extension Date**”), provided, however, that the Cash Consideration may not, at Inpixon’s option, be delivered prior to the later of the Extension Date or the date on which all such closing deliverables are actually delivered to Inpixon (the “**Delivery Date**”).

**NOW, THEREFORE**, Inpixon and the Systat Parties, hereby agree as follows:

1. Article 8 Waivers. The Parties agree to extend the the delivery requirements set forth in (i) Section 8.2(f), (g) and (h) and (ii) Section 8.2(c), (d), and (f) until the Extension Date. In addition, the Systat Parties agree that the delivery and receipt of the Cash Consideration portion of the Closing Consideration required to be delivered in accordance with Section 8.2(i) and 8.3(e) of the License Agreement will be waived until the Delivery Date and the Closing Note shall be delivered on the Closing Date.

2. Amendment. Section 3.1 of the License Agreement is hereby amended and restated as follows:

*“**Consideration and Assignment**. In consideration of the rights granted by Systat to Inpixon pursuant to this Agreement, Inpixon shall deliver the following consideration to Systat (the “**Total Consideration**”):*

*(a) Two Million Two Hundred Thousand Dollars (USD \$2,200,000 Million) in cash (the “**Cash Consideration**”) payable by wire transfer of immediately available funds to an account to be designated by Systat on or before the Delivery Date.*

(b) An assignment of a portion of that certain promissory note held by Inpixon and payable to Inpixon by Sysorex, Inc. (**Sysorex**), for up to an aggregate principal amount of Six Million Three Hundred Thousand Dollars (USD \$6,300,000) (the "**Note**"), including the underlying rights and obligations of Inpixon under the Note, in accordance with the terms and conditions of the assignment agreement in substantially the form attached hereto as Exhibit B ("**License Note Assignment**") and the intercreditor agreement in substantially the form attached hereto as Exhibit C (the "**Intercreditor Agreement**") as follows:

- (i) \$3.0 million on the Closing Date (the "**Closing Note**", together with the Cash Consideration the **Closing Consideration**");
- (ii) \$1.3 million on the three month anniversary of the Closing Date;
- (iii) \$1.0 million on the six month anniversary of the Closing Date; and
- (iv) \$1.0 million on the nine month anniversary of the Closing Date."

3. **Ratification; No Other Amendment.** This Amendment hereby amends the License Agreement effective as of the date hereof and is deemed to form a part thereof, *mutatis mutandis*. The License Agreement is hereby ratified and confirmed in all respects, and all other terms and conditions of the License Agreement, including without limitation the representations, warranties, covenants and agreements of the respective parties, shall remain in full force and effect without other or further amendment or modification. On and after the date of this Amendment, any reference to "this Agreement" in the License Agreement and in any other agreements will mean the License Agreement, as amended by this Amendment. In the event of any conflict between the terms and conditions of this Amendment, and terms and conditions of the License Agreement, the terms and conditions of this Amendment shall prevail to the extent of the inconsistency.

4. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

5. **Governing Law.** This Amendment shall be governed by and construed under the laws of the State of California without regard to conflicts-of-laws principles that would require the application of any other Law. Any proceeding arising out of or relating to this Amendment shall be brought in the state or federal courts located in San Francisco or Santa Clara County, California, and each Party irrevocably submits to the exclusive jurisdiction of each such court in any such proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the proceeding shall be heard and determined only in any such court and agrees not to bring any proceeding arising out of or relating to this Amendment in any other court

6. **Termination.** The parties agree that if, for any reason, the License Agreement is terminated in accordance with its terms prior to closing of the transactions contemplated thereunder, this Amendment will also terminate and be of no further force or effect.

[Signature page follows]

**IN WITNESS HEREOF**, the Parties represent and warrant that this Amendment is executed by duly authorized representatives of each Party on the date set forth below.

**INPIXON**

By: /s/ Nadir Ali  
Name: Nadir Ali  
Title: CEO  
Date: 06-30-2020

**CRANES SOFTWARE INTERNATIONAL LTD.**

By: /s/ Asif Khader  
Name: Asif Khader  
Title: Managing Director  
Date: 06-30-2020

**SYSTAT SOFTWARE, INC.**

By: /s/ Tanveer A. Khader  
Name: Tanveer A. Khader  
Title: Vice President  
Date: 06-30-2020

[SIGNATURE PAGE TO AMENDMENT AND WAIVER]



**PROMISSORY NOTE ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS PROMISSORY NOTE ASSIGNMENT AND ASSUMPTION AGREEMENT (this “**Agreement**”), made effective as of June 30, 2020 (the “**Effective Date**”), is entered into by and between Inpixon, a Nevada corporation (“**Assignor**”), Systat Software, Inc., a Delaware corporation (“**Assignee**”) and Sysorex, Inc., a Nevada corporation (“**Borrower**”). Any capitalized terms not defined herein shall have the meaning set for such term in the License Agreement (as hereinafter defined).

WHEREAS, Assignor and Assignee are entering into that certain Exclusive Software License and Distribution Agreement, of even date herewith, by and among Cranes Software International Ltd. (“**Cranes**”), Assignee and Assignor (the “**License Agreement**”), pursuant to which Assignee has agreed to grant to Assignor an exclusive license to market, use, sell, sublicense, modify and develop the Products and the Systat Intellectual Property (the “**Licensed Rights**”);

WHEREAS, Assignor is the holder of a secured promissory note, dated December 31, 2018, issued by Borrower to Assignor, as amended, (the “**Original Note**”) in the aggregate principal amount of \$10,000,000 (together with all accrued unpaid interest thereon through and including the Closing Date, the “**Outstanding Balance**”);

WHEREAS, as partial consideration for the Licensed Rights, Assignor has agreed to partition the Original Note into four new secured promissory notes in substantially the form attached hereto as Exhibit A (each a “**Partitioned Note**” and collectively, the “**Partitioned Notes**”), with the first Partitioned Note to be in the original principal amount of \$3,000,000 (the “**Closing Note**”), the second Partitioned Note to be in the original principal amount of \$1,300,000 (the “**Initial Installment Note**”), the third Partitioned Note to be in the original principal amount of \$1,000,000 (the “**Second Installment Note**”) and the fourth Partitioned Note to be in the original principal amount of \$1,000,000 plus all accrued unpaid interest under the Original Note included in the Outstanding Balance (the “**Third Installment Note**”), and to assign and deliver to Assignee the Closing Note on the Closing Date, the Initial Installment Note on the three month anniversary of the Closing Date (the “**Initial Installment Date**”) the Second Installment Note on the six month anniversary of the Closing Date (the “**Second Installment Date**”), and the Third Installment Note on the nine month anniversary of the Closing Date (the “**Third Installment Date**”) each as required in accordance with the terms and conditions of the License Agreement;

WHEREAS, each Partitioned Note is to be in substantially the same form as the Original Note, except that the name of the holder thereof shall be Systat Software, Inc., as Assignee hereunder;

WHEREAS, Assignor and Assignee have agreed to enter into an Intercreditor Agreement, in substantially the form attached hereto as Exhibit B (the “**Intercreditor Agreement**”);

NOW THEREFORE, in consideration of the foregoing recitals, the covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Assignor and Assignee agree as follows:

1. Assignment and Assumption. Subject to and conditioned upon the occurrence of the Closing, (a) Assignor hereby assigns, transfers, and conveys to Assignee all of Assignor’s right, title and interest in, to and arising under (i) the Closing Note, effective as of the Closing Date, (ii) the Initial Installment Note, effective as of the Initial Installment Date, (iii) the Second Installment Note, effective as of the Second Installment Date, and (iv) the Third Installment Note, effective as of the Third Installment Date, provided that Assignor’s obligation to assign, transfer and convey to Assignee the Initial Installment Note, the Second Installment Note and the Third Installment Note shall be subject to Assignor’s right of offset against such Partitioned Notes as set forth in Section 7.2 of the License Agreement; and (b) Assignee hereby assumes and agrees to be bound by all of Assignor’s obligations arising under the Partitioned Notes only to the extent the Partitioned Notes are assigned, transferred and conveyed to Assignee as provided herein (the “**Assumed Obligations**”).

2. Representations and Warranties of the Assignor. The Assignor hereby represents and warrants to Assignee as follows:

a. Assignor has full corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby and this Agreement has been duly and validly executed and delivered by the Assignor and constitutes the legal, valid and binding obligation of Assignor, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect that affect creditors' rights generally, and by legal and equitable limitations on the availability of specific remedies.

b. Assignor is the sole record and beneficial owner of the Original Note and Assignor owns the Original Note free and clear of any lien, charge, pledge or other encumbrance ("**Liens**"), except such Liens that may exist as of the Effective Date but which are duly released by the holder(s) thereof prior to the Closing Date.

3. Non-Interference of Borrower. Borrower hereby acknowledges and consents to the assignment, transfer and conveyance of the Partitioned Notes to Assignee, subject to and in accordance with this Agreement. Borrower represents, warrants and covenants to Assignor and Assignee that Borrower has full corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, has obtained all requisite consents and approvals, and neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, by Borrower (a) will violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Borrower is subject or any provision of its charter, bylaws, or other governing document, or (b) will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement to which Borrower is a party. Borrower agrees to indemnify and hold harmless (i) Assignor, (ii) the directors, officers, agents, employees, partners, representative and stockholders of Assignor and (iii) any professional advisors to any person or entity in clauses (i) or (ii), from and against any and all expenses, suits, demands, damages, obligations, liabilities, claims, contingencies, settlement amounts, judgments, awards, costs, penalties, fines, taxes, and criminal or civil sanctions of any nature, including reasonable attorneys' fees and court costs, and, to the extent applicable, cost of cover ("**Losses**"), arising from or relating to a breach of any representation, warranty, covenant or agreement, or the failure to fulfill any other obligation of the Borrower under this Agreement.

4. Representations and Warranties of the Assignee. Assignee hereby represents and warrants to Assignor that (a) Assignee has full corporate power and authority to enter into this Agreement and to consummate the transaction contemplated hereby, and (b) this Agreement has been duly and validly executed and delivered by Assignee and constitutes the legal, valid and binding obligation of Assignee, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect that affect creditors' rights generally, and by legal and equitable limitations on the availability of specific remedies.

5. Indemnification. Assignee will indemnify and hold (i) Assignor, (ii) the directors, officers, agents, employees, partners, representative and stockholders of Assignor and (iii) any professional advisors to any person or entity in clauses (i) or (ii) (each, an “**Indemnified Party**”) harmless from any and all Losses that any such Indemnified Party may suffer or incur as a result of or relating to any action instituted against the Indemnified Party(ies) in any capacity, or any of them or their respective affiliates, by Borrower, with respect to this Agreement, the Partitioned Notes (to the extent assigned to Assignee hereunder) or the Assumed Obligations (unless such action is based upon a breach of such Indemnified Party’s representations, warranties or covenants under this Agreement, including actions constituting fraud). If any action shall be brought against any Indemnified Party in respect of which indemnity may be sought pursuant to this Agreement, such Indemnified Party shall promptly notify Assignee in writing, and at Assignor’s sole and absolute discretion, Assignee shall immediately take control of the defense and investigation of the action and shall employ counsel reasonably acceptable to Assignor, to handle and defend the action, at Assignee’s sole cost and expense. Assignee shall not settle any action in a manner that adversely affects the rights of any Indemnified Party without Assignor’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. The failure of any Indemnified Party to perform any obligations under this paragraph shall not relieve Assignee of its obligation hereunder except to the extent that Assignee can demonstrate that it has been materially prejudiced as a result of the failure. Assignor may participate in and observe the proceedings at its own cost and expense with counsel of its own choosing. The costs, fees and expenses incurred by each Indemnified Party in the investigation or defense of any claim hereunder shall be made by periodic payments by Assignee of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Indemnified Party against the Assignee.

6. Rights of Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to this Agreement and their respective successors and assigns.

7. Benefits. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

8. Multiple Counterparts. This Agreement may be executed in multiple counterparts, by original or facsimile signature, each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument.

9. Governing Law. The parties agree that this Agreement shall be construed solely in accordance with the laws of the State of Nevada, notwithstanding its choice or conflict of law principles, and any proceedings arising among the parties in any matter pertaining or related to this Agreement shall, to the extent permitted by law, be heard solely in the State and/or Federal courts located in the County of San Francisco or the County of Santa Clara, CA.

10. Further Actions. The parties covenant and agree to execute such other instruments or documents and to take such further action as may be reasonably necessary or appropriate to fulfill the purposes of this Agreement.

11. Headings. The paragraph headings of this Agreement are for convenience of reference only and do not form a part of the terms and conditions of this Agreement or give full notice thereof.

12. Severability. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by electronic mail:

if to Assignor:

Inpixon  
2479 E. Bayshore Rd.  
Palo Alto, CA  
Attention: Melanie Figueroa, General Counsel.  
Email Address:\*\*\*\*\*

With a concurrent copy (which shall not constitute notice) to:

Greenberg Traurig, LLP  
Attention: Kevin Friedmann, Esq.  
Email Address: \*\*\*\*\*

if to Assignee:

Systat Software, Inc.  
c/o Cranes Software International Ltd.  
# 82 Presidency Building  
3 & 4<sup>th</sup> Floor St. Mark's Road  
Bengaluru, India 560001  
E-mail: \*\*\*\*\*  
Attn: Mueed Khader

with a copy (which shall not constitute notice) to:

\*\*\*\*\*

if to Borrower:

Sysorex, Inc.  
13880 Dulles Corner Lane  
Suite 175  
Herndon, VA 20171  
Attn: Zaman Khan  
\*\*\*\*\*

with a copy (which shall not constitute notice) to:

Adams Corporate Law, Inc.  
Attention: Addison K. Adams, Esq.  
Email Address: \*\*\*\*\*

All such notices, demands and other communications shall be deemed to have been duly given on the business day sent (or next business day if not sent on a business day or not sent during normal business hours of the recipient) by e-mail to the designated e-mail address set forth above (or to such other e-mail address as a party may designate by written notice to the other parties), provided the sender produces a record of transmission if requested by the addressee.

14. Entire Agreement. This Agreement, the Intercreditor Agreement, and the License Agreement contain the entire understanding between the parties, no other representations, warranties or covenants having induced either party to execute this Agreement, and supersedes all prior or contemporaneous agreements with respect to the subject matter hereof.

15. Amendments; Modification. This Agreement may not be amended or modified in any manner except by a written agreement duly executed by the parties to be charged, and any attempted amendment or modification to the contrary shall be null and void and of no force or effect.

**[Remainder of page intentionally left blank; signature page to follow]**

IN WITNESS WHEREOF, Assignor and Assignee have executed this Agreement as of the date first set forth above.

**ASSIGNOR:**

INPIXON

By: /s/ Nadir Ali  
Name: Nadir Ali  
Title: Chief Executive Officer

**ASSIGNEE:**

SYSTAT SOFTWARE, INC.

By: /s/ Tanveer A. Khader  
Name: Tanveer A. Khader  
Title: Vice President

**BORROWER:**

SYSOREX, INC.

By: /s/ Zaman Khan  
Name: Zaman Khan  
Title: Chief Executive Officer

*[Signature Page to Assignment and Assumption Agreement]*

**EXHIBIT A**

**PARTITIONED NOTE**

*See Exhibit 99.1 to Inpixon's Current Report on Form 8-K filed with the SEC on July 2, 2020.*

**EXHIBIT B**  
**INTERCREDITOR AGREEMENT**

*See Exhibit 10.4 to Inpixon's Current Report on Form 8-K filed with the SEC on July 2, 2020.*

## INTERCREDITOR AGREEMENT

This **INTERCREDITOR AGREEMENT**, dated as of June 30, 2020 (this “**Agreement**”), is among Sysorex, Inc., a Nevada corporation (the “**Company**”), Inpixon, a Nevada corporation (“**Inpixon**”), and Systat Software, Inc., a Delaware corporation (“**Systat**”). Any capitalized term used but not defined herein shall have the meaning set forth for such term in the Promissory Note Assignment and Assumption Agreement, of even date herewith, among the parties hereto (the “**Assignment Agreement**”).

## WITNESSETH:

WHEREAS, in accordance with the terms of the Assignment Agreement, Inpixon has agreed to assign to Systat, and the Company has acknowledged and consented to the assignment to Systat of, the Partitioned Notes as partial consideration for the Licensed Rights, in such increments and on such dates as are specified in the Assignment Agreement.

WHEREAS, pursuant to the License Agreement, Inpixon has a right to offset the amount of any indemnification obligation of Systat to Inpixon arising thereunder (the “**Indemnification Amount**”), on a dollar for dollar basis, against the principal amount of any Partitioned Notes not yet assigned, transferred and conveyed to Systat pursuant to the Assignment Agreement, which right, to the extent exercised, would reinstate a payment obligation of the Company to Inpixon under the Original Note in an amount equal to the Indemnification Amount, and concurrently reduce the amount owed by the Company to Systat under the Partitioned Notes by an amount equal to the Indemnification Amount (the “**Offset Right**”).

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Inpixon agrees that, to the extent any of the Partitioned Notes have not yet been assigned, transferred and conveyed by Inpixon to Systat pursuant to the Assignment Agreement, and to the extent that Inpixon has not exercised the Offset Right, such that there remain obligations of the Company to Inpixon under the Original Note, the Company’s obligation to make any payment to Inpixon pursuant to the Original Note, including any costs and expenses (including, without limitation, reasonable attorneys’ fees) due thereunder (collectively, the “**Original Note Obligations**”), shall be subordinate and junior to the Company’s obligation to make any payment to Systat under the Partitioned Notes, including any costs and expenses (including, without limitation, reasonable attorneys’ fees) due thereunder (collectively, the “**Partitioned Note Obligations**”). So that the Partitioned Note Obligations shall be paid indefeasibly in full prior to payment of any Original Note Obligations, any payments that are received by Inpixon from the Company in respect of the Original Note Obligations, at any time while any Partitioned Note Obligations remain outstanding, shall be deemed to have been received by Inpixon for the benefit of Systat and Inpixon hereby agrees to hold any such payment in trust for the benefit of Systat and promptly transmit any such payment by wire or other electronic bank transfer to Systat in accordance with Systat’s written instructions, for application to the Partitioned Note Obligations.



2. All proceeds of Collateral (as defined in the Original Note) shall be distributed in accordance with the following order of priority, to the extent permitted by applicable law: (1) first, to indefeasibly pay in full any obligations that the Company may have to the holder of a duly perfected lien on the Collateral whose security interest in the Collateral is senior to the security interest of Systat under the Partitioned Notes ("**Senior Obligations**"); (2) second, to indefeasibly pay in full the Partitioned Note Obligations; and (3) third to indefeasibly pay in full the Original Note Obligations, if any. So long as any Original Note Obligations or Partitioned Note Obligations remain outstanding, promptly following the satisfaction in full of any Senior Obligations, the Company shall notify Systat and Inpixon in writing that the Senior Obligations have been satisfied in full. Inpixon agrees that to the extent it receives rents or proceeds from the leasing, sale, liquidation, casualty or other disposition of any of the Collateral following indefeasible repayment in full of any Senior Obligations, if any Partitioned Note Obligations remain outstanding, Inpixon shall (unless otherwise restricted by applicable law) hold the same in trust for Systat and promptly pay over the same as directed in writing by Systat for application to such remaining Partitioned Note Obligations. Systat agrees that to the extent it receives rents or proceeds from the leasing, sale, liquidation, casualty or other disposition of any of the Collateral following indefeasible repayment in full of any Senior Obligations and the Partitioned Note Obligations, if any Original Note Obligations remain outstanding, Systat shall (unless otherwise restricted by applicable law) hold the same in trust for Inpixon and promptly pay over the same as directed in writing by Inpixon for application to such remaining Original Note Obligations.

3. Until all of the Partitioned Note Obligations have been paid in full and satisfied and all commitments thereunder have been terminated, Inpixon shall not, without the prior written consent of Systat, (a) take any action to accelerate payment of the Original Note Obligations or to foreclose or realize upon or enforce any of its rights with respect to the Collateral with respect to any of the Original Note Obligations, (b) contest, protest or object to any enforcement action, application of monies or proceeds or proceeding brought by Systat, or any other exercise by Systat of any rights and remedies under the Partitioned Notes, or (c) amend or otherwise modify the terms of the Original Note in any manner that materially and adversely affects Systat's rights under this Agreement, the Assignment Agreement or the Partitioned Notes.

4. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Each party agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state or federal courts sitting in San Francisco County or Santa Clara County, California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in San Francisco County and Santa Clara County, California contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, or that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party's registered agent for service of process and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. **Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.**

6. Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by electronic mail:

if to Inpixon:

Inpixon  
Attention: Melanie Figueroa, General Counsel.  
Email Address:\*\*\*\*\*

if to Systat:

Systat Software, Inc.  
c/o Cranes Software International Ltd.  
# 82 Presidency Building  
3 & 4th Floor St. Mark's Road  
Bengaluru, India 560001  
E-mail: \*\*\*\*\*  
Attn: Mueed Khader

if to Sysorex:

Sysorex, Inc.  
Attn: Zaman Khan  
\*\*\*\*\*

All such notices, demands and other communications shall be deemed to have been duly given on the business day sent (or next business day if not sent on a business day or not sent during normal business hours of the recipient) by e-mail to the designated e-mail address set forth above (or to such other e-mail address as a party may designate by written notice to the other parties), provided the sender produces a record of transmission if requested by the addressee.

7. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile or other electronic transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such signature were the original thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Intercreditor Agreement to be duly executed on the day and year first above written.

**INPIXON**

By: /s/ Nadir Ali  
Name: Nadir Ali  
Title: Chief Executive Officer

**SYSTAT SOFTWARE, INC.**

By: /s/ Tanveer A. Khader  
Name: Tanveer A. Khader  
Title: Vice President

**SYSOREX, INC.**

By: /s/ Zaman Khan  
Name: Zaman Khan  
Title: Chief Executive Officer

THIS SECURED PROMISSORY NOTE (THIS “NOTE”) HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR APPLICABLE STATE SECURITIES LAWS. THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

**SYSOREX, INC.**

**SECURED PROMISSORY NOTE**

\$[●]

Issue Date: [●]

Sysorex, Inc., a Nevada corporation (the “**Company**”), for value received, hereby promises to pay to Systat Software, Inc., a Delaware corporation, or its registered assigns (the “**Holder**”), an aggregate sum of \$[●] or such other amount as shall then equal the outstanding balance payable (the “**Loan Amount**”), plus all accrued unpaid interest, as set forth below, on the earlier to occur of (i) December 31, 2021 or (ii) when declared due and payable by the Holder upon the occurrence of an Event of Default (as defined below) (the “**Maturity Date**”). This Note is issued as of the Issue Date set forth above, pursuant to the terms of that certain Promissory Note Assignment and Assumption Agreement, dated as of June 30, 2020 (the “**Agreement**”), by and among the Company, Inpixon, a Nevada corporation (“Inpixon”) and the Holder.

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

1. *Definitions.* As used in this Note, the following terms, unless the context otherwise requires, shall have the following meanings:

(i) “**Company**” shall also include any corporation that, to the extent permitted by this Note, succeeds to, or assumes the obligations of, the Company under this Note.

(ii) “**Holder**”, when the context refers to a holder of this Note, shall mean any person who shall at the time be the registered holder of this Note.

2. *Payments.* All payments for amounts due under this Note shall be made by wire transfer of immediately available funds, in lawful tender of the United States, to an account designated in writing by the Holder, and all payments in cash shall be applied first to the Interest Amount (as defined below) and thereafter to the Loan Amount, subject to any such further conditions as set forth in Section 14 hereto.

3. *Interest.* Interest on the Loan Amount will accrue beginning as of the Issue Date, at the rate of ten percent (10%) per annum (the “**Interest Rate**”). All accrued unpaid interest (the “**Interest Amount**”) shall be due and payable to the Holder on the Maturity Date. Upon the occurrence of an Event of Default (as defined below), interest shall accrue on the outstanding Loan Amount of this Note at the lesser of the rate of twenty-one percent (21%) per annum or the maximum rate permitted by applicable law. All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note. Interest payments shall be payable in cash.

4. *Events of Default.* If any of the events specified in this Section 4 shall occur (herein individually referred to as an “**Event of Default**”), the Holder of this Note may, provided such condition exists, declare the entire Loan Amount and Interest Amount hereon immediately due and payable, by written notice to the Company:

(i) Any failure by the Company to pay any of the Loan Amount or Interest Amount on this Note when due hereunder, and such failure continues for ten (10) days after written notice to the Company thereof; or

(ii) The institution by the Company of proceedings to adjudicate the Company as bankrupt or insolvent, or the consent by the Company to the institution of such proceedings; the filing by the Company of a petition, answer or consent seeking reorganization or release under the federal Bankruptcy Act or any other applicable federal or state law, or the consent by the Company to the filing of any such petition; the appointment of a receiver, liquidator, assignee, trustee or other similar official of the Company, or of any substantial part of its property; or the making of an assignment by the Company for the benefit of creditors, or the taking of any corporate action by the Company in furtherance of any such action; or

(iii) The commencement of an action against the Company seeking any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar relief under any present or future statute, law or regulation; *unless*, (a) within sixty (60) days after such commencement, the action has been resolved in favor of the Company, or all orders or proceedings thereunder affecting the operations or the business of the Company have been stayed; *provided*, however, that the stay of any such order or proceeding has not thereafter been set aside, or (b) within sixty (60) days after the appointment of any trustee, receiver or liquidator of the Company or of all or any substantial part of the properties of the Company, without the consent or acquiescence of the Company thereto, such appointment is vacated.

5. *Prepayment.* This Note may be prepaid by the Company at any time without penalty or premium. Immediately following the completion of any financing, or series of related financings, in which the Company raises aggregate gross proceeds of at least \$5 million, in each case, the Company will make a cash payment to the Holder in an amount equal to 6% of the aggregate gross proceeds raised in any financing subject to this Section 5; provided, however, that any payments made to the Holder in accordance with this Section 5 shall be made on a pro rata basis against any then outstanding Partitioned Notes held in the name of the Holder and subject to Section 2 of that certain Intercreditor Agreement, by and between the Holder and Inpixon, dated as of June 30, 2020 (the “**Intercreditor Agreement**”) to the extent that such gross proceeds shall be deemed to be Collateral (as defined below).

6. *Assignment.* Subject to the restrictions on transfer described in Section 8 below, the rights and obligations of the Company and the Holder of this Note shall be binding upon, and benefit the successors and assigns of, the parties hereto.

7. *Waiver and Amendment.* Any provision of this Note may be amended, waived or modified upon the written consent of both the Company and the Holder.

8. *Transfer of This Note.* With respect to any offer, sale or other disposition of this Note, the Holder shall give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of such Holder’s counsel, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under any federal or state law then in effect). Upon receiving such written notice and opinion, if so requested, the Company, as soon as practicable, shall notify such Holder that such Holder may sell or otherwise dispose of this Note, all in accordance with the terms of the notice delivered to the Company. Any Note thus transferred shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with the Act unless, in the opinion of counsel for the Company, such legend is not required. The Company may issue stop-transfer instructions to the Company’s transfer agent in connection with any such restrictions.

## 9. Secured Note.

9.1 Except with respect to the security interest granted in connection with that certain Loan and Security Agreement, dated as of December 21, 2018, with Payplant LLC as agent for Payplant Alternatives Fund LLC (“**Payplant Liens**”) and Permitted Liens (as defined below), this Note shall constitute a security agreement for all purposes under applicable law. The Company hereby grants to the Holder, subject to any and all Payplant Liens and Permitted Liens and the terms and conditions of the Intercreditor Agreement, now or hereafter existing with respect to same, a continuing first priority security interest in all assets of the Company whether now owned or hereafter acquired, including all proceeds therefrom (collectively, the “**Collateral**”) to secure the payment of this Note and all other loans and advances (including all renewals, modifications and extensions thereof) and all obligations of any and every kind and nature of the Company to the Holder, whether arising prior to, under or after this Note, however incurred or evidenced, plus all interest, reasonable costs, reasonable expenses and reasonable attorneys’ fees, which may be made or incurred by the Holder in the disbursement, administration, and collection of such amounts, and in the protection, maintenance, and liquidation of the Collateral. Except for Payplant Liens, Permitted Liens, whether or not now or hereafter existing, the Company shall not sell, assign, transfer, pledge or otherwise dispose of or encumber any Collateral to any third party while this Note is in effect without the prior written consent of the Holder in its sole discretion.

9.2 The Company shall execute and deliver to the Holder, concurrently with the Company’s execution of this Note and at any time or times hereafter at the request of the Holder, all financing statements, assignments, affidavits, reports, notices, schedules of accounts, letters of authority and all other documents that the Holder may reasonably request, in form satisfactory to the Holder, to perfect and maintain perfected the Holder’s security interests in the Collateral. In addition, the Company irrevocably authorizes the Holder, its agents, attorneys, and representatives, to file financing statements and amendments thereto at the Company’s expense, necessary to establish and maintain the Holder’s perfected security interest in the Collateral. In order to fully consummate all of the transactions contemplated hereunder, the Company shall make appropriate entries on its books and records disclosing the Holder’s security interests in the Collateral. Immediately upon full satisfaction of this Note, including payment of the outstanding Loan Amount and reasonable fees and expenses due to the Company hereunder and pursuant to the Agreement (collectively, the “**Liabilities**”), without further notice from the Company, the Company may terminate any financing statements, assignments, affidavits, reports, notices, schedules of accounts, letters of authority and all other documents used to perfect and maintain perfected the Holder’s security interests in the Collateral.

9.3 For purposes of this Note, “**Permitted Liens**” means:

9.3.1 purchase money security interests to secure purchase money indebtedness of the Company, so long as such security interests arise or are created (A) in the ordinary course of business and consistent with past practices and (B) substantially contemporaneously with the purchase or acquisition by the Company of the respective property or assets to which such security interests relate and the incurrence of the respective purchase money indebtedness which such security interests secure, secure only the respective purchase money indebtedness so incurred by the Company to enable the Company to so purchase or acquire such property or assets, and no other indebtedness, and encumber only the respective property or assets so purchased or acquired, and no other property or assets of the Company;

9.3.2 any liens arising in connection with capital leases or equipment financing arrangements of the Company;

9.3.3 liens acquired with liabilities assumed by the Company in connection with acquisitions of existing businesses, business divisions, or assets, in whole or in part after the date hereof;

9.3.4 carriers', warehousemen's, mechanics', materialmen's, repairmen's, processor's, landlord's liens or other like liens arising in the ordinary course of business that are not overdue for a period of more than thirty (30) days or which are being contested in good faith by appropriate proceedings;

9.3.5 liens arising in connection with worker's compensation, unemployment insurance, old age pensions and social security benefits and similar statutory obligations (excluding liens arising under ERISA), provided that no enforcement proceedings in respect of such liens are pending and provisions have been made for the payment of such liens on the books of such person as may be required by generally accepted accounting principles; and

9.3.6 liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States government or any agency thereof entered into in the ordinary course of business and (ii) liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and fiscal agents, trade contracts, surety and appeal bonds, performance bonds and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), provided, that in each case full provision for the payment of all such obligations.

10. *Notices.* Any notice, request or other communication required or permitted hereunder shall be in writing and shall conclusively be deemed to have been duly given if personally delivered or if faxed with confirmation of receipt by telephone or if mailed by registered or certified mail, postage prepaid, at the respective addresses of the parties set forth below, and shall be deemed to have been received when delivered. Any party hereto may, by notice thereof, change its address for any such future notices as may be required or permitted hereunder.

Holder:           Systat Software, Inc.  
                      2107 North First Street, Suite 360  
                      San Jose, CA 95131

with a copy (which shall not constitute notice) to:

Systat Software, Inc.  
c/o Cranes Software International Ltd.  
# 82 Presidency Building  
3 & 4<sup>th</sup> Floor St. Mark's Road  
Bengaluru, India 560001  
E-mail: \*\*\*\*\*  
Attn: Mueed Khader

Company:       Sysorex, Inc.  
                      13880 Dulles Corner Lane, Suite 175  
                      Herndon, VA 02171  
                      Attn: Zaman Khan

with a copy (which shall not constitute notice) to:

Adams Corporate Law, Inc.  
1851 E 1<sup>st</sup> St, Suite 900  
Santa Ana, CA 92705-4066  
Attn: Addison K. Adams, Esq.

11. *No Stockholder Rights.* Nothing contained in this Note shall be construed as conferring upon the Holder or any other person the right to vote or consent or to receive notice as a stockholder in respect of any meeting of stockholders for the election of directors of the Company or any other matters or rights whatsoever as a stockholder of the Company, and no dividends or interest shall be payable or accrued in respect of this Note or the interests represented hereby.

12. *Usury.* This Note is hereby expressly limited so that in no event whatsoever, whether by reason of acceleration of maturity of the loan evidenced hereby or otherwise, shall the amount paid or agreed to be paid to the Holder hereunder for the loan, use, forbearance or detention of money exceed that which is permissible under applicable law. If at any time the performance of any provision of this Note or of any other agreement or instrument entered into in connection with this Note involves a payment exceeding the limit of the interest that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and the Holder that all payments under this Note are to be credited first toward the payment of interest, but not in excess of the lesser of (i) the agreed upon Interest Rate as set forth herein or (ii) that which is permitted by law; and payments shall thereafter be credited toward the reduction of the outstanding Loan Amount.

The provisions of this Section 12 shall under no circumstances be superseded or waived and shall control every other provision of this Note and all other agreements and instruments entered into between the Company and the Holder in connection with this Note.

13. *Governing Law.* In all respects, including all matters of construction, validity and performance, this Note shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without regard to principles thereof relating to conflicts or choice of law.

14. *Heading; References.* All headings used herein are used for convenience only and shall not be used to construe or interpret this Note. Except where otherwise indicated, all references herein to Sections refer to Sections hereof.

15. *Waiver.* The Company hereby waives default, demand for payment, notice, presentment, protest and notice of nonpayment or dishonor and all other notices or demands relating to this instrument.

*[Signature Page Follows]*



IN WITNESS WHEREOF, the Company has caused this Note to be issued as of the date first written above.

**COMPANY:**

Sysorex, Inc.,  
a Nevada corporation

By: \_\_\_\_\_  
Name: Zaman Khan  
Title: Chief Executive Officer

**HOLDER:**

Systat Software, Inc.  
a Delaware corporation

By: \_\_\_\_\_  
Name: Tanveer Khader  
Title: Vice President

Address: 2107 North First Street, Suite 360  
San Jose, CA 95131