

Dated 26 June 2024

**OTAQ PLC (AS ISSUER)  
and  
DOWGATE WEALTH LIMITED (AS AGENT)**

---

**Instrument Constituting up to £2,700,000 Convertible Notes**

---

## CONTENTS

Clause	Page
1. Definitions and Interpretations .....	1
2. Amount of the Notes .....	3
3. Status and Purpose of the Notes .....	4
4. Certificate for Notes .....	4
5. Compliance Covenant and Warranties .....	4
6. Register of Noteholders .....	4
7. Appointment, Role and rights of Agent .....	5
8. Meetings of Noteholders .....	7
9. Foreign Noteholders .....	7
10. Further Notes .....	7
11. Confidentiality .....	8
12. Variation of this Instrument .....	8
13. Fees and Costs .....	8
14. Governing Law and jurisdiction .....	8
SCHEDULE 1 Form of Note Certificate .....	10
SCHEDULE 2 Conditions of the Notes .....	12
SCHEDULE 3 Form of Conversion Notice .....	24
SCHEDULE 4 Provisions as to the Register .....	25
SCHEDULE 5 Provisions for Meetings of Noteholders .....	28
SCHEDULE 6 Conditions to the Issue .....	34

**THIS INSTRUMENT** is executed on 26 June 2024 by

1. **OTAQ PLC**, a public limited company registered in England (number 11429299) with registered address at 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England, LA1 4XF (the “**Issuer**”); and
2. **DOWGATE WEALTH LIMITED**, a private limited company registered in England (number 12221221) with registered address 15 Fetter Lane, London, EC4A 1BW as agent for the Noteholders (the “**Agent**”).

## **WHEREAS**

- (a) The Issuer has in accordance with its articles of association and by resolution of board of directors passed on or before the date of this Instrument, subject to satisfaction of the Issuance Condition, created and authorised the issue of a maximum principal amount of up to £2,700,000 Notes, such Notes to be constituted as hereinafter provided and subject to, and with the benefit of, the Schedules attached hereto which shall be deemed to form part of this Instrument.
- (b) Pursuant to the issuance of the Notes, the Issuer has agreed to grant the Charge.
- (c) The Agent is a party hereto for the purposes of holding the Security Property as agent for the Noteholders pursuant to the terms of this Instrument.

## **BY THIS INSTRUMENT THE ISSUER DECLARES AND COVENANTS AS FOLLOWS:**

---

### **1. DEFINITIONS AND INTERPRETATIONS**

- 1.1 In this Instrument the following words and expressions shall have the following meanings, unless the context otherwise requires:

<b>Business Day</b>	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open in London for the transaction of normal banking business;
<b>CBILS Loan</b>	the £0.8 million loan owed by OTAQ Aquaculture Limited to Growth Lending 2020 Limited pursuant to a loan agreement dated 3 February 2021, as amended, entered into between, inter alia, OTAQ Aquaculture Limited (as borrower), the Issuer (as guarantor) and Growth Lending 2020 Limited (as lender);
<b>Charge</b>	the charge over Sealfence Products entered into between the Issuer and the Agent in respect of this Instrument;
<b>Conditions</b>	the conditions of the Notes as set out in Schedule 2 as from time to time modified in accordance with the provisions contained herein;
<b>Delegate</b>	means any delegate, custodian, agent, attorney or trustee appointed by the Agent (in its capacity as agent).
<b>Directors</b>	or <b>Board</b> means the board of directors for the time being of the Issuer or a duly authorised committee of the Directors;
<b>Event of Default</b>	has the meaning given in Condition 4.1;

<b>Note Document</b>	means the Instrument, the Charge and the Placing Letters.
<b>Extraordinary Resolution</b>	an extraordinary resolution as defined in paragraph 17 of Schedule 5;
<b>GBP</b>	“£” or “ <b>Sterling</b> ” means the lawful currency from time to time of the United Kingdom;
<b>Instrument</b>	this note instrument and the Schedules attached to it as may from time to time be modified or supplemented in accordance with the provisions contained herein;
<b>Interest Payment Date</b>	has the meaning given in Condition 2.1;
<b>Issuance Condition</b>	the passing at a duly convened and held general meeting of the Company of resolutions granting the Directors sufficient authority to allot and issue the Conversion Shares free of any pre-emption rights and to obtain a waiver pursuant to rule 9 of the City Code on Takeovers and Mergers, each necessary to permit the Company to issue the Notes;
<b>MAR</b>	the Market Abuse Regulation, regulation (EU) No 596/2014;
<b>Noteholder</b>	a person whose name is entered in the Register as the holder of a Note;
<b>Notes</b>	up to £2,700,000 convertible notes constituted by this Instrument or, as the case may be, the principal amounts represented by them and for the time being issued and outstanding;
<b>Payoff Letter</b>	means the payoff and release letter dated on or around the date of the Instrument with respect to the repayment and satisfaction of the CBILS Loan and the release of all Security granted in connection with the CBILS Loan;
<b>Placing Letter</b>	means a placing letter, in the agreed form, entered into between the Placee (as defined therein) and Dowgate Capital Limited (as agent of the Issuer) setting out the terms of the placing of the Notes;
<b>Register</b>	the register of holders of the Notes kept by or on behalf of the Issuer;
<b>Restricted Jurisdiction</b>	means the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction where the issue of the Notes and/or the Conversion Shares to be issued thereunder would or may constitute a violation of the relevant laws or regulation of such jurisdiction;
<b>Sealfence Products</b>	means the Company’s existing Sealfence acoustic deterrent system product inventory, namely its Sealfence 3 and Sealfence 4 control units, related protectors and related battery boxes;
<b>Security</b>	means a mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

<b>Security Property</b>	the security and rights expressed to be granted by the Issuer in favour of the Agent on behalf of the Noteholders pursuant to the Charge;
<b>United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>United States</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction.

- 1.2 A Note is “**outstanding**” unless:
- 1.2.1 it has been repaid, redeemed, converted or cancelled in full; or
- 1.2.2 it is held by a person for the benefit of the Issuer or a member of its Group.
- 1.3 In determining whether the Agent should give its consent or approval under the terms of this Instrument the Agent will be deemed to have acted reasonably in withholding its consent or approval where:
- 1.3.1 the Agent has not been provided with all information it reasonably requires from the Issuer to assist in coming to a decision; and
- 1.3.2 it has concluded (acting reasonably, and in good faith) that if the Agent were to give its consent or approval there would be a reasonable likelihood that this would lead to the occurrence of an Event of Default.
- 1.4 Subject as herein expressly defined any words and expressions defined in the Companies Act 2006 shall have the meanings therein ascribed to them.
- 1.5 References to any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof from time to time in force.
- 1.6 Section 1122 of the Corporation Tax Act 2010 is to apply to determine whether a person is connected with another for the purposes of this agreement.
- 1.7 Unless otherwise stated a reference to (a) a clause, is to a clause of the main body of this Instrument, (b) a paragraph is to a paragraph in the Schedule in which it is set out; and (c) to a Condition is to a Condition set out in Schedule 2.
- 1.8 Words denoting persons shall include corporations, associations or partnerships, the masculine gender shall include the feminine and the singular shall include the plural and vice versa.
- 1.9 The headings are for convenience only and shall not affect the interpretation hereof.

---

## 2. THE NOTES

- 2.1 The Issuer may issue the Notes provided that the minimum amount of Notes to be issued will be not less than £1,500,000 and the maximum aggregate nominal amount of Notes from time to time outstanding will not exceed £2,700,000.
- 2.2 No Notes shall be issued unless and until the Issuance Condition is satisfied.
- 2.3 The Notes will be issued in registered form in denominations of £1 in nominal amount or integral multiples thereof by the Issuer and at such times and on such terms (consistent with the provisions of this Instrument) as the Issuer shall determine.

- 2.4 The Notes may not be issued in any, or redenominated into any, currency other than Sterling.
- 

### **3. STATUS AND PURPOSE OF THE NOTES**

- 3.1 The Notes represent direct obligations of the Issuer for the due and punctual payment of the principal and interest together with the performance of all the obligations of the Issuer with respect to the Notes.
- 3.2 The Notes when issued shall constitute secured debt obligations of the Issuer.
- 3.3 The Notes shall be known as '10% Convertible Notes 2027'.
- 3.4 The Issuer shall use funds raised by its issue of Notes firstly, for the purposes of repayment in full of all amounts outstanding under the CBILS Loan and secondly, for future product development and general working capital purposes and not for any other purposes unless consented to in writing by the Agent.
- 3.5 The Issuer may not issue those Notes unless the Agent has received the documents and other evidence listed in Schedule 6 (Conditions to the Issue) in form and substance reasonably satisfactory to the Agent. The Agent shall notify the Issuer promptly upon being so satisfied.
- 

### **4. CERTIFICATE FOR NOTES**

- 4.1 Subject to the Issuance Condition, each Noteholder shall be entitled without charge to a certificate stating the nominal amount of the Notes registered in its name provided payment in full in respect of the principal amount due by such Noteholder has been made to the Issuer. Each certificate shall bear a denoting number, shall be executed by a Director and expressed to be executed by the Issuer, and shall be substantially in the form set out in Schedule 1.
- 4.2 Joint holders of a Note shall not be permitted unless the Issuer agrees otherwise in writing.
- 4.3 When a Noteholder has had its Note repaid or redeemed or transferred part only of its Notes, the old certificate shall be cancelled and a new certificate for the balance of such Notes shall be issued without charge.
- 4.4 The Directors may by resolution (either generally or in any particular case or cases) determine that the signature of any Director required by clause 4.1 shall be affixed by means of some method or system of mechanical signature.
- 

### **5. COMPLIANCE COVENANT AND WARRANTIES**

The Issuer hereby covenants with the Noteholders to comply with the terms of the Notes and to observe and perform the Conditions, which Conditions shall be deemed to be incorporated in this Instrument and shall be binding on the Issuer.

---

### **6. REGISTER OF NOTEHOLDERS**

- 6.1 The Issuer shall cause a register to be maintained in respect of the Notes in accordance with the provisions of Schedule 4.

- 6.2 The provisions relating to the Register set out in Schedule 4 shall be deemed to be incorporated in this Instrument and shall be binding on the Issuer and the Noteholders and on all persons claiming through or under them respectively.

---

**7. APPOINTMENT, ROLE AND RIGHTS OF AGENT**

- 7.1 Each Noteholder (upon becoming a Noteholder by any means) agrees to and acknowledges the appointment of the Agent to act as their agent in connection with the Notes subject to, and in accordance with, the terms and conditions set out in this Instrument and which shall be binding on the Issuer and the Noteholder and all persons claiming through or under them respectively.
- 7.2 This clause 7.2 applies to the extent that Notes are outstanding to Noteholders. The Agent shall have the right to appoint a non-executive Director acceptable to the Issuer (acting reasonably) as its representative on the Board ("**Board Representative**") and to attend board meetings of the Issuer and shall be entitled to receive board packs at the same time as they are distributed to the Directors of the Issuer. The Issuer shall pay to the Board Representative (for its own account) an annual fee in the amount and at the times agreed between the Issuer and the Board Representative.
- 7.3 The Agent declares that it holds the Security Property as agent for the Noteholders on the terms contained in the remainder of this clause 7.
- 7.4 Nothing in this Instrument constitutes the Agent as a trustee or fiduciary of, nor shall the Agent have any duty or responsibility to, the Issuer, its affiliates or members of its Group. Section 1 of the Trustee Act 2000 shall not apply to the duties of the Agent in relation to the functions constituted by this Instrument.
- 7.5 The Agent shall not perform any action in relation to the Charge other than as instructed by way of any of an Extraordinary Resolution or as expressly permitted in this Instrument.
- 7.6 The Agent shall be entitled to request instructions, or clarification of any instruction from the Noteholders as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- 7.7 Any instructions given to the Agent by way of Extraordinary Resolution shall be binding on all Noteholders.
- 7.8 The Agent shall have no duties or obligations to any other person except for those which are expressly specified in the Note Documents or mandatorily required by applicable law. The Agent's duties under this Instrument and in connection with the Security Property are solely mechanical and administrative in nature.
- 7.9 The Issuer authorises and instructs the Agent:
- 7.9.1 to execute and deliver the Note Documents;
  - 7.9.2 to exercise the rights, powers and discretions given to the Agent (in its capacity as agent) under or in connection with the Note Documents together with any other incidental rights, powers and discretions; and
  - 7.9.3 to give any authorisations and confirmations to be given by the Agent (in its capacity as security agent) on behalf of the Noteholders under the Note Documents.

- 7.10 Unless this Instrument expressly specifies otherwise, the Agent may disclose to any other Noteholder any information it reasonably believes it has received as Agent under this Instrument provided that (if applicable) it shall make such disclosee party aware that such information may constitute inside information.
- 7.11 Notwithstanding any other provision of this Instrument and/or the Charge to the contrary, the neither the Agent nor its Board Representative is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- 7.12 Notwithstanding any provision of this Instrument and/or the Charge to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- 7.13 The Agent shall not be bound to enquire:
- 7.13.1 whether or not any Event of Default has occurred;
  - 7.13.2 as to the performance, default or any breach by the Issuer under this Instrument and/or the Charge; or
  - 7.13.3 whether any other event specified in this Instrument and/or the Charge has occurred.
- 7.14 The Agent shall not be obliged to register, file or record or otherwise protect any of the Security Property.
- 7.15 The Agent shall not be obliged to insure any of the Security Property.
- 7.16 With the written consent of the Issuer, the Agent may appoint one or more Delegates on such terms (which may include the power to sub-delegate) and subject to such conditions as it thinks fit, to exercise and perform all or any of the duties, rights, powers and discretions vested in it by this Instrument and the Charge and shall not be obliged to supervise any Delegate or be responsible to any person for any loss incurred by reason of any act, omission, misconduct or default on the part of any Delegate.
- 7.17 If the Agent determines that:
- 7.17.1 all obligations secured by the Charge have been fully and finally discharged; and
  - 7.17.2 no Noteholder is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any party pursuant to this Instrument and/or the Charge, then the trusts set out in this Instrument shall be wound up and the Agent shall release, without recourse or warranty, all of the Security Property and the rights of the Agent under each of the Security Property.
- 7.18 The Agent may refrain from taking any step in relation to the Security Property unless instructed otherwise by way of an Extraordinary Resolution.
- 7.19 Subject to the terms of the Charge having become enforceable in accordance with its terms, the Noteholders may by way of Extraordinary Resolution give or refrain from giving instructions to the Agent to enforce (in a manner consistent with the terms of this Instrument and the Charge) or refrain from enforcing the Charge as they see fit.



- 7.20 The Agent may resign as the Agent hereunder by giving notice thereof to the Noteholders and the Issuer, which resignation shall be effective upon the appointment of a successor Agent. Following the receipt of such notice from the Agent, the Noteholders shall appoint a successor Agent. If no successor Agent shall have been appointed by the Noteholders, and shall have accepted such appointment, within thirty days after the resigning Agent's giving of notice of resignation, then the resigning Agent may, on behalf of the Noteholders, appoint a successor Agent without the consent of any of the Noteholders. Upon the acceptance of any appointment as the Agent hereunder by a successor Agent, such successor agent shall succeed to the rights, powers and duties of the resigning Agent, and the term "Agent" shall mean such successor Agent effective upon its appointment, and the former Agent's rights, powers and duties as the Agent shall be terminated, without any other or further act or deed on the part of such former Agent or the Noteholders.
- 7.21 The Agent is entitled to rely on Noteholder instructions given in accordance with this clause.
- 7.22 The Noteholders shall not have any independent power to enforce, or have recourse to, any of the Security Property or to exercise any right, power, authority or discretion arising under the Charge except through the Agent.
- 7.23 The Agent may reclaim from the Noteholders on a pro rata basis any expense or cost of any kind incurred in the performance of its role in connection with the Secured Property.
- 7.24 The Noteholders hereby indemnify the Agent, on demand, against any cost, loss or liability incurred by the Agent (otherwise than by way of gross negligence, wilful misconduct or fraud) in connection with its role as Agent.

---

## **8. MEETINGS OF NOTEHOLDERS**

The provisions for meetings of holders of the Notes set out in Schedule 5 shall be deemed to be incorporated in this Instrument and shall be binding on the Issuer and the Noteholders and on all persons claiming through or under them respectively.

---

## **9. FOREIGN NOTEHOLDERS**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, or under any of the relevant securities laws of any state or territory of the United States, and no prospectus in relation to the Notes will be filed and no relief from applicable securities law requirements has been or will be obtained from the applicable securities regulatory authority of any province or territory of Canada. No steps have been taken, or will be taken, to enable the Notes to be offered in Japan in compliance with applicable securities laws of Japan and no prospectus in relation to the Notes has been, or will be, lodged with or registered by the Australian Securities Commission. The Notes may not (subject to certain exceptions, including any exemption, if available, from any applicable registration requirements, and otherwise in compliance with all applicable laws) be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction.

---

## **10. FURTHER NOTES**

Subject to the terms of the Instrument, the Issuer shall be entitled from time to time, by resolution of the Board or of a duly authorised committee thereof, to cancel any created but unissued Notes and/or to create and issue further Notes to be constituted by deed or Instrument expressed to be supplemental hereto either so as to be identical in all respects and form a single series with the Notes.

---

## 11. CONFIDENTIALITY

The Issuer shall be permitted to disclose any or all of the terms of this Instrument (i) to the Agent, (ii) to potential Noteholders and (iii) to the extent required by law and regulation, to any other person.

---

## 12. VARIATION OF THIS INSTRUMENT

12.1 The Issuer may, following sanction by way of an Extraordinary Resolution, make any amendment, modification, change or addition to this Instrument and any such amendment, modification, change or addition shall be binding on the Noteholders. Any such alteration shall be effected by way of deed executed by the Issuer and the Agent and expressed to be supplemental to this Instrument.

12.2 Without prejudice to clause 12.1:

12.2.1 Any minor or technical changes to correct a manifest error to this Instrument or to facilitate title to Notes being evidenced otherwise than by a Note Certificate or to facilitate the transfer of Notes so evidenced otherwise than by a written deed or for any ancillary or connected purposes to this Instrument shall be notified in writing to the Agent but may be made by the Issuer without the sanction of the Noteholders; and

12.2.2 Any modification to this Instrument which in the opinion of the Issuer will not be materially prejudicial to the interests of the Noteholders shall be agreed with the Agent but may be made by the Issuer without the sanction of the Noteholders.

---

## 13. FEES AND COSTS

13.1 The Issuer shall be responsible for all the reasonable legal and other costs of establishing and managing the Note programme including legal costs reasonably incurred by the Agent in the establishment of this instrument (plus VAT and disbursements (if any)).

13.2 The Issuer shall be liable for any future fees and/or costs connected with any amendment required to this Instrument and/or in connection with any action required to be performed by the terms of this Instrument provided that any future fees and/or costs in excess of £1,000 shall only be reimbursed to the extent that they have been approved in advance in writing by or on behalf of the Issuer.

---

## 14. GOVERNING LAW AND JURISDICTION

14.1 This Instrument (and any dispute, controversy, proceeding or claim of whatever nature arising out of or in any way relating to this Instrument or the constitution of the Notes) shall be governed by and construed in accordance with English law.

14.2 Each of the parties to this Instrument irrevocably agrees that:

14.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Instrument (including a dispute relating to the existence, validity or termination of this Instrument or any non-contractual obligation arising out of or in connection with this Instrument) (a “**Dispute**”).

14.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Instrument will argue to the contrary.

14.2.3 This clause 14.2 is for the benefit of the Noteholders only. As a result, the Noteholders shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Noteholders may take concurrent proceedings in any number of jurisdictions.

14.3 The parties to this Instrument agree that this Instrument may be made, signed, and retained in electronic form or by electronic means and neither this Instrument nor any of its provisions (including any power of attorney or agency provision in it) shall be denied legal effect, validity or enforceability solely because it was made, signed, and or retained in electronic form or by electronic means.

**IN WITNESS** whereof this Instrument has been executed on the date which appears first on page 1.

**SCHEDULE 1**  
**Form of Note Certificate**

*THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR THE LAWS OF ANY OTHER JURISDICTION. THESE SECURITIES, AND ANY SECURITIES ISSUED UPON CONVERSION THEREOF, MAY NOT BE OFFERED, SOLD OR DELIVERED IN OR INTO THE UNITED STATES, AUSTRALIA, NEW ZEALAND, CANADA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATION OF SUCH JURISDICTION.*

*THIS CONVERTIBLE LOAN NOTE MAY NOT BE ISSUED OR PASSED IN THE UNITED KINGDOM TO ANY PERSON UNLESS THAT PERSON IS: (A) AN INVESTMENT PROFESSIONAL, AS DEFINED IN PARAGRAPH 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 ("FPO"), (B) A PERSON DESCRIBED IN PARAGRAPH 49(2) OF THE FPO, OR (C) A PERSON TO WHOM THIS INSTRUMENT MAY OTHERWISE LAWFULLY BE ISSUED OR PASSED.*

*ANY TRANSFEREE OF THIS CONVERTIBLE LOAN NOTE SHOULD CAREFULLY REVIEW THE TERMS HEREOF. FOLLOWING THE CONVERSION OF ANY PORTION OF THIS CONVERTIBLE LOAN NOTE, THE PRINCIPAL AMOUNT REPRESENTED BY THIS CONVERTIBLE LOAN NOTE MAY BE LESS THAN THE ORIGINAL PRINCIPAL AMOUNT SET FORTH ON THE FACE HEREOF.*

Certificate No. [    ]

Nominal Amount

£ .....

**OTAQ PLC**

**(REGISTERED IN ENGLAND (NO.11429299))**

**£2,700,000 CONVERTIBLE NOTES 2027**

Issue of up to £2,000,000 Convertible Notes (the "Notes") created and issued by OTAQ plc (the "Issuer") pursuant to the Issuer's articles of association and a resolution of its Board passed on [●] 2024.

**THIS IS TO CERTIFY** that [●] of [●] is the registered holder of the above nominal amount of the above mentioned Notes which are constituted by an Instrument entered into by the Issuer on [●] 2024 (the "Instrument") and are issued with the benefit of and subject to the provisions contained in the Instrument and the conditions endorsed hereon.

**IN WITNESS** whereof this certificate has been executed by a duly authorised officer of the Issuer:

.....

**DIRECTOR**

**DATED:**

**NOTES:**

1. Where the context so admits, words and expressions defined in the Instrument shall bear the same respective meanings in the Conditions endorsed hereon.
2. Interest calculated in accordance with the Conditions endorsed hereon is payable quarterly (every three months) in arrears on each Quarter Day (or if any such day is not a Business Day, on the immediately following Business Day).
3. The Notes are transferable in amounts or integral multiples of £25,000 (or a lesser amount if it represents the Noteholder's entire holding). No transfer, whether of the whole or any part of the Notes comprised in this certificate, will be accepted for registration unless accompanied by this certificate and lodged with the Issuer.
4. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, or under any of the relevant securities laws of any state or territory of the United States, Canada, Japan or Australia. Accordingly, the Notes may not (subject to certain exceptions, including any exemption, if available, from any applicable registration requirements, and otherwise in compliance with all applicable laws) be offered, sold or delivered, directly or indirectly in or into the United States, Canada, Japan or Australia or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction.
5. The Notes are repayable in accordance with the Conditions endorsed hereon.
6. The Notes may be prepaid by the Issuer at any time without penalty in accordance with the Conditions endorsed hereon.
7. A copy of the Instrument is available for inspection during office hours at the registered office of the Issuer. Copies may be obtained by any Noteholder on request.

**SCHEDULE 2**  
**Conditions of the Notes**

The Notes were created by a resolution of the Board and are constituted as secured obligations of the Issuer by the Instrument.

**1. Definitions**

1.1 In these Conditions, the following words and phrases shall have the following meanings:

<b>Adjustment Event</b>	any or all of the following, at any time, or by reference to any record date, while the Notes remain in issue:  (a) any allotment or issue of Equity securities by the Issuer by way of capitalisation of profits or reserves;  (b) any cancellation, purchase or redemption of Equity securities, or any reduction or repayment of Equity securities, by the Issuer;  (c) any non pre-emptive issue of securities or other instruments convertible for shares in, or Equity securities of, the Issuer or any grant of options, warrants or other rights to subscribe for, or call for the allotment or issue, of shares in, or Equity securities of, the Issuer on a non pre-emptive basis; or  (d) any sub-division or consolidation of Equity securities by the Issuer;
<b>Admission</b>	means the admission of any Conversion Shares issued to a Noteholder to trading on the AQSE Growth Market becoming effective in accordance with the AQSE Growth Market Access Rules;
<b>AQSE</b>	means Aquis Stock Exchange Limited which operates the AQSE Growth Market;
<b>AQSE Growth Market</b>	means the primary growth market for unlisted securities operated by AQSE;
<b>AQSE Growth Market Rules</b>	means the rules contained in the AQSE Growth Market Access Rulebook for issuers in effect from time to time, which set out the admission requirements and continuing obligations of companies seeking admission to and whose securities are admitted to trading on the Access segment of the AQSE Growth Market issued by AQSE;
<b>Business Day</b>	any day (other than a Saturday or a Sunday or a bank holiday) on which banks are open in London for normal banking business;
<b>City Code</b>	means the City Code on Takeovers and Mergers;
<b>Conversion Date</b>	means the date stipulated by the Issuer in its written notice to the Noteholder which date must be no more than 20 calendar days following the date on which notice of the proposed Conversion Event was served on the Noteholder;
<b>Conversion Event</b>	has the meaning given to it in Condition 6.1;

<b>Conversion Notice</b>	means the notice in the form set out at Schedule 3;
<b>Conversion Price</b>	means £0.03 per Share;
<b>Disposal</b>	means a sale, lease, licence, transfer, loan or other disposal of Sealence Products for Disposal Proceeds of £50,000 or more (either by a voluntary or involuntary single transaction or a series of transactions over a three month rolling period), upon which Disposal the security granted pursuant to the Charge over those Sealence Products which are subject to that Disposal shall be released;
<b>Disposal Proceeds</b>	means the consideration receivable by the Issuer, its affiliates or any member of the Group for any Disposal, after deducting any applicable Tax required to be paid in connection with the Disposal but before deducting any costs, expenses, additional charges or discounts with respect to the Disposal;
<b>Equity Issue</b>	the issue of new or further Shares or other Equity securities or equity instruments by the Issuer of more than £250,000 (including but not limited to warrants and options) in a single issue in up to (two) tranches;
<b>Equity Issue Price</b>	means the price at which new or further Shares or other Equity securities or equity instruments of more than £250,000 (including but not limited to warrants and options) are issued by the Issuer pursuant to an Equity Issue;
<b>Equity securities</b>	has the meaning given to it in section 560(1) of the Companies Act 2006;
<b>Extraordinary Resolution</b>	has the meaning given to it in paragraph 17 of Schedule 5;
<b>Final Maturity Date</b>	in respect of any Note, the later of: <ul style="list-style-type: none"> <li>(a) the third anniversary of the date of issue of such Note (or if such day is not a Business Day, on the immediately following Business Day); or</li> <li>(b) the fourth anniversary of the date of issue of such Note (or if such day is not a Business Day, on the immediately following Business Day); or</li> <li>(c) the fifth anniversary of the date of issue of such Note (or if such day is not a Business Day, on the immediately following Business Day);</li> </ul> <p>provided that, in respect of each of sub-paragraphs (b) and (c), such one or two year extension (as the case may be) shall first require to have, prior to the relevant Final Maturity Date, sanctioned by way of an Extraordinary Resolution. Where the Noteholders or the Issuer wish to extend the Final Maturity Date under sub-paragraphs (b) or (c) above, the Issuer or the Agent on behalf of the Noteholders shall be required to have commenced discussions to do so by a written notice given at</p>

least 45 calendar days prior to the then applicable Final Maturity Date.

**Fully Diluted Share Capital**

means the aggregate, from time to time, of:

- (a) the issued Equity securities of the Issuer; and
- (b) all Equity securities capable of being issued by the Issuer pursuant to all outstanding instruments convertible for shares in, or Equity securities of, the Issuer, any options, warrants or other rights to subscribe for, or call for the allotment or issue, of shares in, or Equity securities of, the Issuer (including under the Notes in issue from time to time), as if all of those outstanding instruments, options, warrants, calls, and/or rights had been exercised in full;

**Group**

the group of bodies corporate comprising the Issuer, any holding company and all subsidiaries of the Issuer in existence from time to time and any subsidiary from time to time of a holding company of the Issuer;

**Interest Payment Date**

in respect of the first Interest Payment Date, the first Quarter Day following issuance, and thereafter each Quarter Day whilst any of the Notes are and remain in issue provided the same is a Business Day and, if it is not a Business Day, the relevant Interest Payment Date shall be the immediately following Business Day and the last Interest Payment Date shall be the date on which the last outstanding Notes are repaid/redeemed, converted and/or cancelled;

**Interest Period**

any period from but excluding one Interest Payment Date to and including the next, but provided that the first Interest Period shall commence with but exclude the date upon which such Notes are issued and end on the first Interest Payment Date following the issue of such Notes;

**Mandatory Prepayment Account**

means an account held by Issuer from which no withdrawals may be made by it, its affiliates or any members of the Group except as contemplated by this Instrument (as may be redesignated or replaced from time to time.)

**Offer**

means a Takeover Offer or a Scheme;

**Offer Price**

means the offer price per share for the shares in the Issuer pursuant to an Offer;

**Quarter**

means each three (3) calendar month period ending on a Quarter Day;

**Quarter Day**

each 31 March, 30 June, 30 September and 31 December;

**Redemption Premium**

an additional amount payable by the Issuer to the Noteholder where redemption (prepayment) occurs on or before the Final Maturity Date equal to such amount as would produce an annualised return to the Noteholder (in excess of principal repaid and interest paid) of 15% per annum on the principal amount of Notes redeemed;



<b>Reserved Matters</b>	has the meaning given in Condition 8.1;
<b>Secured Indebtedness</b>	means any secured indebtedness for or in respect of: <ul style="list-style-type: none"> <li>(a) moneys borrowed;</li> <li>(b) any amount raised by acceptance under any acceptance credit or bill discounting facility;</li> <li>(c) any amount raised pursuant to any note purchase facility or the issue of Notes, notes, debentures, loan stock or any similar instrument;</li> <li>(d) the amount of any liability in respect of any lease or hire purchase contract which is treated as a balance sheet liability;</li> <li>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); and</li> <li>(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;</li> </ul>
<b>Scheme</b>	means a Court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006, as amended
<b>Shares</b>	ordinary shares of £0.01 each in the capital of the Issuer;
<b>Takeover Offer</b>	means a takeover offer within the meaning of Part 28 of the Companies Act 2006, as amended;
<b>Tax</b>	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);
<b>Tax Deduction</b>	means a deduction or withholding for or on account of Tax from a payment under this Instrument; and
<b>UK Takeover Panel</b>	means the UK's Panel on Takeovers and Mergers.

1.2 Unless otherwise expressly defined, words and expressions defined in the Instrument shall have the same meaning when used in this Schedule 2.

## 2. Interest

2.1 Until issued Notes shall have been repaid and cancelled by the Issuer in full, interest on issued Notes shall accrue from day to day on the basis of a 365 day year (366 days in the case of a leap year) and the actual number of days elapsed in that Interest Period and shall accrue interest on the principal amount of Notes outstanding for the time being during any Interest Period payable in cash quarterly in arrears on each Interest Payment Date:

2.1.1 at ten (10) per cent. per annum in respect of the period from the issue date of such Note up to and including the third anniversary of the date of issue of such Note (or if such day is not a Business Day, on the immediately following Business Day) (the "**First Interest Payment Period**"); and

2.1.2 at twelve and a half (12.5) per cent. per annum in respect of the period from and excluding the third anniversary of the date of issue of such Note up to and including the fifth anniversary of the date of issue of such Note (or if such day is not a Business Day, on the immediately following Business Day) (the **"Second Interest Payment Period"**).

### **3. Redemption**

3.1 Save as otherwise agreed with the relevant Noteholder(s) or in accordance with Conditions 4 or 5:

3.1.1 each Note (plus the Redemption Premium and any accrued but unpaid interest thereon) will be redeemed in full at par on the Final Maturity Date or, if sooner, accordance with Condition 3.1.2;

3.1.2 each of the Noteholders shall have the right to redeem the Notes in full at par (plus the Redemption Premium and any accrued but unpaid interest thereon) in the event of an Offer; and

3.1.3 in the event of a Disposal by the Issuer, its affiliates or any member of its Group, the Noteholders shall have the option to have their Notes redeemed (pro rata in respect of all outstanding Notes) in an aggregate amount equal to 50 per cent. of the Disposal Proceeds.

3.2 The Issuer shall ensure that 50 per cent. of any Disposal Proceeds are paid into a Mandatory Prepayment Account as soon as reasonably practicable after receipt by it, its affiliates or any member of the Group. The Issuer authorises the Agent to apply amounts credited to the Mandatory Prepayment Account to pay amounts due and payable under Condition 3.1.3.

3.3 In the event of any sale, lease, licence, transfer, loan or other disposal of Sealfence Products for Disposal Proceeds of less than £50,000 (either by a voluntary or involuntary single transaction or a series of transactions over a three month rolling period), the Issuer:

3.3.1 shall give written notice to the Agent on behalf of the Noteholders at least three (3) Business Days prior to any such sale, lease, licence, transfer, loan or other disposal;

3.3.2 covenants that any such sale, lease, licence, transfer, loan or other disposal would only be made in good faith in the usual course business.

3.4 On or before the date upon which any Note is to be redeemed or repaid, the Issuer shall have granted each relevant Noteholder the opportunity, on a minimum of 15 clear Business Days prior written notice, the option to exercise its rights to convert its Notes into Shares pursuant to Condition 6.

3.5 Notes may only be redeemed or converted in amounts of not less than £25,000 in aggregate (unless such smaller amount represents the Noteholder's entire amount of outstanding Notes). On or before the date upon which any Note is to be repaid or converted, any relevant Noteholder shall be bound to deliver to the Issuer at its registered office or such other address in England as the Issuer may direct the certificate(s) for such Notes in order that the same may be cancelled or, in the case of a lost certificate, an indemnity in respect thereof together with a receipt for or form of authority as to the payment of the monies payable, duly signed and authenticated in such manner as the Issuer may reasonably require and, upon such delivery, the Issuer shall repay the Notes or arrange for such Notes to convert into Equity securities.

3.6 All Notes redeemed by the Issuer will be cancelled and will not be available for reissue.

3.7 Where the Issuer redeems any Notes pursuant to this Condition 3, Condition 4 or Condition 5, it shall also pay any interest on the amount repaid up to but excluding the date of repayment.

- 3.8 The Issuer shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- 3.9 If the Issuer is required by law to make a Tax Deduction:
- 3.9.1 the Issuer must pay the Tax Deduction to the relevant authority within the time allowed for such payment and shall furnish to the Noteholder all corresponding documentation and an official receipt of the relevant authority for the Tax Deduction; and
- 3.9.2 the Issuer must pay such additional amounts as are necessary to ensure that after making the Tax Deduction, the Noteholder receives the full amount which it would have received if such Tax Deduction was not required.

#### 4. Events of Default

- 4.1 Any Noteholder shall, at any time while Notes are in issue, be entitled by notice in writing to the Issuer (and the Issuer shall immediately notify the other Noteholders of receipt by it of any such notice) to require in whole or in part immediate repayment of any amounts of principal and/or interest owing in respect of the Notes held by it/him and the Redemption Premium (whereupon such amounts shall become immediately due and payable) if any of the following events ("**Events of Default**") shall occur:
- 4.1.1 if the Issuer breaches any material term of this Instrument, including but not limited to any of the Reserved Matters and, if capable of remedy, has not remedied such breach within ten (10) Business Days of such breach;
- 4.1.2 if the Issuer suspends payment of its debts, is unable (or admits that it is unable) to pay its debts as they fall due (or is deemed under section 123 of the Insolvency Act 1986 to be unable to pay its debts), has become insolvent or has a liquidator, receiver, an administrative receiver, manager or administrator appointed over it or over all or a substantial part of its assets;
- 4.1.3 any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, liquidation, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement, receivership or otherwise) of the Issuer;
- 4.1.4 if the Issuer fails to make any payment due to any Noteholder in respect of the Notes, whether by way of interest, principal or otherwise, on the due date unless payment is received within ten (10) Business Days of its due date;
- 4.1.5 if any other borrowings of the Issuer are declared due and payable prior to its specified maturity as a result of an event of default (howsoever described);
- 4.1.6 any Security or encumbrance on or over the assets of the Issuer is enforced;
- 4.1.7 it is or becomes or will become unlawful for the Issuer to perform or comply with any of its obligations under this Instrument or the Notes or any such obligation is not or ceases to be legal, valid and binding;
- 4.1.8 the withdrawal of the admission of the Issuer's Shares on the AQSE Growth Market in accordance with rule 5.3 of the AQSE Growth Market Access Rules (except in relation to a cancellation in connection with an Offer for the Issuer).
- 4.2 In the event that any Notes become immediately repayable in accordance with this Condition 4, the provisions of Conditions 3.1.2 to 3.7 (inclusive) shall apply to such Notes.

## 5. Prepayment

- 5.1 The Issuer may at any time after 31 March 2025 prepay (redeem) all or some of the outstanding Notes, after giving the Noteholders not less than fifteen clear Business Days' notice (for the purpose of enabling the Noteholder to elect whether or not it wishes to have some or all of its outstanding Notes prepaid (redeemed) or to exercise its conversion rights under Condition 3.2). Conditions 3.3 to 3.7 and Condition 5.2 shall apply to any such redemption. Where redemption is made of only some of the outstanding Notes, such redemption payments will be applied pro rata in respect of all holdings of Notes issued pursuant to this Instrument.
- 5.2 Any Note redeemed in accordance with Condition 4.1 (Event of Default), Condition 5.1 (Prepayment) or pursuant to an Offer shall be redeemed by payment to the Noteholder of:
- 5.2.1 outstanding principal plus accrued but unpaid interest thereon; plus
- 5.2.2 the Redemption Premium.

## 6. Conversion

- 6.1 The Notes shall have the right to be converted into fully paid Shares at any time up to and including the Final Maturity Date (or if such day is not a Business Day, on the immediately following Business Day) on any of the following events prior to the Final Maturity Date:
- 6.1.1 by submitting a Conversion Notice to the Issuer not less than fifteen (15) Business Days' prior to (a) 30 September 2024 and/or (b) the final day of each subsequent Quarter, while any Notes remain outstanding, at the Noteholder's option at the Conversion Price;
- 6.1.2 at the Conversion Price on the date that a relevant Offer (in the case of a Takeover Offer) is declared, or becomes, unconditional or (in the case of a Scheme) becomes effective unless an equivalent offer is made to Noteholders by the offeror in accordance with Rule 15 of the Takeover Code (which date can be adjusted by written agreement between the Issuer and each Noteholder); or
- 6.1.3 on an Equity Issue, at the Noteholder's option at the Equity Issue Price,
- each a "**Conversion Event**".
- 6.2 Conversion may occur in whole or in parts of no less than £25,000 of Notes (or less if it represents a Noteholder's entire holding of Notes).
- 6.3 The occurrence of a Conversion Event shall be without prejudice to any Noteholder's right to payment of any accrued but unpaid interest and any unpaid Redemption Premium arising under Condition 5.2.
- 6.4 If and when a Conversion Event under Condition 6.1 occurs, the Issuer shall give Noteholders not less than 15 clear Business Days' prior written notice of the Equity Issue specifying the terms of the Equity Issue and the Conversion Date. If the Issuer has given notice to Noteholders of a proposed Conversion Event and it becomes apparent to the Issuer that the Conversion Event is not after all to take effect, the Issuer shall promptly give notice to the Noteholders to that effect.
- 6.5 Subject to early redemption of whole or part of the Notes in accordance with Condition 5 and Condition 6.1 above, any or all of the Notes held by the Noteholder which remain outstanding may be converted into fully paid Shares by the Noteholder serving upon the Issuer a Conversion Notice.
- 6.6 The Conversion Notice shall:

- 6.6.1 specify the nominal amount of Notes held by it in respect of which the Noteholder wishes to exercise its right for the conversion of the Notes into fully paid Shares;
- 6.6.2 be duly completed and signed by the Noteholder; and
- 6.6.3 be accompanied by a copy of the certificate representing the Notes to be converted.

## 7. Procedures on Conversion

7.1 On the occurrence of a Conversion Event, the Issuer shall issue the new Shares (the "**Conversion Shares**") to each Noteholder such that:

- 7.1.1 the relevant Noteholders name shall be entered into the register of members of the Issuer as the holder of the Conversion Shares;
- 7.1.2 the certificates for such Shares shall be despatched to the persons entitled to them at their own risk;
- 7.1.3 the Noteholder shall receive full legal and beneficial ownership rights to the Conversion Shares; and
- 7.1.4 the Issuer shall use reasonable endeavours to arrange for Admission of the Conversion Shares.

7.2 The Conversion Shares shall on Admission rank pari passu in all respects with the Shares which are held by all holders of Shares immediately before Admission.

7.3 The entitlement of each Noteholder to a fraction of a Conversion Share on a conversion shall be rounded down to the nearest whole number of Conversion Shares which result from the conversion of the Notes.

7.4 Within five (5) Business Days following the public announcement of an Offer for the Issuer via a regulatory news service, the Issuer shall provide notice in writing to the Noteholders setting out:-

- 7.4.1 details of the Offer including, to the extent known by the Issuer at the time the Offer is made, any conditions relating to the completion of the Offer and the proposed completion date of the Offer; and
- 7.4.2 the number of Conversion Shares which may be issued to the Noteholder assuming that all of their Notes are to convert in accordance with this Condition 7.4.

and, following receipt of such notice, each Noteholder shall be entitled to issue a Conversion Notice to the Issuer to convert the Principal Amount of all or any of its Notes, conditionally on any such Offer (in the case of a Takeover Offer) being declared, or becoming, unconditional or (in the case of a Scheme) becoming effective and any such notice shall be irrevocable and be a binding obligation on the Issuer to convert such Notes in accordance with this Condition 7, save that the Conversion Event shall be the date that the Offer is declared, or becomes, unconditional (in the case of a Takeover Offer) or (in the case of a Scheme) becomes effective (which date can be adjusted by written agreement between the Issuer and each Noteholder).

7.5 The Issuer undertakes that, while the Notes remain in issue, it shall (pending either the payment of any redemption moneys in respect of the Notes or the issue of the Shares on conversion, each in accordance with the provisions of this Instrument):

- 7.5.1 not alter the articles of association of the Issuer in any way which would materially and/or adversely affect the rights of the Noteholders without such alteration having been sanctioned by way of an Extraordinary Resolution;
  - 7.5.2 maintain sufficient authorised but unissued equity share capital in the Issuer to satisfy in full, without the need for the passing of any resolutions of its shareholders, the rights of conversion for the time being attaching to the Notes pursuant to Condition 6, without first having to offer the same to any existing shareholders of the Issuer or anyone else; and
  - 7.5.3 to act in good faith in relation to the arrangements contemplated by this Instrument and not take (or permit the taking of) any steps with the aim, design or effect (whether partial or otherwise) of prejudicing or otherwise adversely affecting the Noteholders' rights under this Instrument.
- 7.6 The Issuer shall give written notice to the Noteholders within five (5) Business Days of an Adjustment Event, and within twenty (20) Business Days Noteholders may give notice to the Issuer that certification is required and the Issuer shall within ten (10) Business Days appoint an independent third party accountancy firm to certify in writing the adjustments to the number, nominal value and price of the Conversion Shares arising from conversion of the Notes which they consider to be necessary so that, after such adjustment and on conversion, the Noteholders shall be entitled to receive the same percentage of the issued share capital of the Issuer carrying the same proportion of votes exercisable at a general meeting of shareholders and the same entitlement to participate in distributions of the Issuer, in each case as nearly as practicable, as would have been the case had no Adjustment Event occurred (and making such reduction or increase as is necessary to the premium arising on the issue and allotment of the Conversion Shares on conversion of the Notes). The Issuer shall then notify the Noteholders promptly in writing of the necessary adjustment as determined by the accountancy firm.
- 7.7 The Issuer undertakes that if any special dividend (whether in respect of cash and/or a dividend in specie) or other special distribution to be made by the Issuer is declared, the ex dividend date for the payment of any such dividend or distribution so declared shall be the third Business Day of the Quarter immediately following the date on which such dividend or special distribution was declared. For the avoidance of doubt, any Noteholder who issues a Conversion Notice within ten (10) Business Days of the Quarter immediately following the declaration of any such special dividend or other special distribution to be made by the Issuer shall be entitled, following the conversion of such Notes set out in the Conversion Notice, to receive payment of any such special dividend or other special distribution payable on the Conversion Shares issued to them on the occurrence of the relevant Conversion Event.

## 8. Reserved Matters

- 8.1 The Issuer shall procure that no action or decision relating to any of the matters below (being the **Reserved Matters**) shall be taken by the Issuer or any member of its Group without the prior consent of the Agent (such consent not to be unreasonably withheld):
- 8.1.1 any amendment to the articles of association of the Issuer that materially adversely amends the rights attaching to the Shares or adversely amends the rights attaching to the Notes;
  - 8.1.2 the issue of further Shares or other equity securities or equity instruments in each case for cash consideration by the Issuer, (including but not limited to warrants and options but excluding any Shares issued pursuant to the terms of any employee share scheme), representing more than 25% of the fully diluted share capital of the Issuer;
  - 8.1.3 proposing or paying any dividend or making any other type of distribution;

- 8.1.4 subscribing or otherwise acquiring, or disposing of, any equity capital of any other person or acquiring or disposing of any business or assets outside of ordinary course customer sales which, in each case, represents in value more than 5% of the net revenue, or 25% of the gross assets, or 25% of the market capitalisation of the Issuer;
- 8.1.5 for as long as any Note remains outstanding, not to create, issue or permit to subsist any debt or security which ranks senior to the Notes.
- 8.1.6 permitting the Issuer to cease, or proposing to cease, to carry on its business or permit the Issuer or its directors (or any one of them) to take any step to wind up the Issuer, save where it is insolvent;
- 8.1.7 permitting the Issuer or its directors (or any one of them) to take any step to place the Issuer into administration (whether by the filing of an administration application, a notice of intention to appoint an administrator or a notice of appointment), permitting the Issuer or its directors to propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors or to invite the appointment of a receiver or administrative receiver over all or any part of the Issuer's assets or undertaking, save where it is insolvent;
- 8.1.8 making any material change to the nature of the business of the Issuer outside of ordinary course product development activities or the jurisdiction where it is managed and controlled;
- 8.1.9 making any change to the Issuer's accounting reference date or any material change to its accounting policies, bases or methods from those set out in its most recent audited accounts (other than as recommended by its auditors);
- 8.1.10 entering into any material transaction, outside of ordinary course of business or in relation to employment arrangements, with any director or officer of the Issuer or with any person who is connected with any such director or officer; or
- 8.1.11 entering into any agreement or other commitment to do any of the things referred to in this Condition 8.1.

## **9. Modification of Rights**

- 9.1 Noteholders will have power by Extraordinary Resolution, *inter alia*, to sanction (where such sanction is required) any variation, modification, abrogation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer whether such rights shall arise under this Instrument or otherwise and any variation, modification or abrogation of the covenants or provisions or terms or conditions contained in this Instrument proposed or agreed to by the Issuer.

## **10. Method of Payment**

- 10.1 Payment by the Issuer of the principal moneys and interest payable upon the Notes, or any part thereof, may be made by cheque, warrant or money order sent through the post at the risk of the Noteholder or Noteholders (as the case may be) to the registered address of the Noteholder or by electronic bank transfer to such account(s) as may be agreed between the Issuer and the relevant Noteholder. Any such cheque, warrant or money order shall be made payable to the order of the person to whom it is sent (or to such person as the Noteholder may direct in writing) and payment of the cheque, warrant or money order, or instruction of the relevant electronic bank transfer shall be a satisfaction of the principal and interest represented by it.

## **11. Surrender of Certificate and Prescription**

- 11.1 Every Noteholder any part of whose Notes are due to be repaid under any of the provisions of these Conditions shall, not later than the due date for such repayment, deliver the relevant certificates for such Notes to the Issuer or as it shall direct. Unless payment of the amount due to be repaid has already been made in accordance with Condition 3, upon such delivery and against a receipt for the principal moneys payable in respect of the Notes to be repaid, the Issuer shall pay to the Noteholder the amount payable to it in respect of such repayment in accordance with Condition 3. If part only of any Note(s) as evidenced by the relevant certificate so delivered is then due to be repaid, the Issuer shall either endorse such Note with a memorandum of the date and amount paid to the holder of such Note and return it to the Noteholder or shall cancel such Note and without charge issue to such Noteholder a new Note for the balance of the principal amount due to it.
- 11.2 If any Noteholder, any part of whose Notes is liable to be repaid under these Conditions, shall fail or refuse to either deliver up the certificate(s) or provide a standard indemnity in respect of such certificate(s) for such Notes at the time and place fixed for repayment thereof or should fail or refuse to accept payment of the repayment moneys payable in respect thereof, the moneys payable to such Noteholder shall be set aside by the Issuer and paid into a separate bank account and held by the Issuer in trust for such Noteholder but without interest and such setting aside shall be deemed for all the purposes of these Conditions to be a payment to such Noteholder and the Issuer shall thereby be discharged from all obligations in connection with such Notes. If the Issuer shall place the said moneys on deposit at a bank, the Issuer shall not be responsible for the safe custody of such moneys or for interest thereon except such interest (if any) as the said moneys may earn whilst on deposit, less any expenses incurred by the Issuer in connection therewith, including administrative costs. Any such amount so paid or deposited, which remains unclaimed after a period of 12 years in respect of interest and 12 years in respect of principal amounts in each case from the date on which the relevant payments first become due, shall revert to and belong to the Issuer notwithstanding that in the intervening period the obligation to pay the same may have been provided for in the books, accounts and other records of the Issuer.

## **12. Form, Issue and Transfer**

- 12.1 The Notes will be issued by the Issuer in registered form in amounts and integral multiples of £1 and will constitute subordinated secured obligations of the Issuer. Fractional entitlements will be disregarded.
- 12.2 The Notes are transferable in amounts or multiples of £25,000 in nominal amount (or such lesser amount if it represents the Noteholder's entire holding) without prior Issuer consent, provided that such transferee is not located or otherwise resident in a Restricted Jurisdiction and agrees to be bound by the terms of a Placing Letter or signs an equivalent agreement to subscribe to the Notes. A Noteholder that has transferred Notes shall give notice to the Issuer of such transfer within 30 days of the date of transfer.
- 12.3 The Notes shall not be offered to the public for subscription or purchase and shall not be capable of being dealt in on any stock exchange or other recognised market in the United Kingdom or elsewhere and no application shall be made to any stock exchange or other recognised market for permission to deal in or for the listing or quotation of the Notes.
- 12.4 The Issuer will be entitled by notice in writing (a "Disclosure Notice") to require any Noteholder from time to time to provide within 48 hours of receipt of the relevant Disclosure Notice (or such longer time as may be determined by the Issuer) the same information as may be required to be given by a member of the Issuer requested pursuant to section 793 of the Companies Act 2006 as if such provision applied to Noteholders with respect to the Notes (and if the Issuer is not a public company then on the basis it is to be treated as if it were a public company). If a Noteholder fails to comply with any such requirement and for so long as such failure shall be continuing the Issuer shall have



the right (in its absolute discretion) to refuse to register any transfer of the Notes or to repay any of the Notes held by him in accordance with the Conditions.

### **13. Register**

13.1 A Register of the Notes shall be kept on the Issuer's statutory books at its registered office, or at such place in the England as the Issuer may determine.

### **14. Lost or Destroyed Notes**

14.1 If a Note is defaced, lost or destroyed it may be renewed on payment of such fee as is reasonable and on such terms (if any) as to evidence and indemnity as the Board may reasonably require but so that in the case of defacement the defaced Note shall be surrendered before a new Note is issued. An entry as to the issue of a new Note and indemnity (if any) shall be made in the Register.

### **15. Notice to Noteholders**

15.1 Any notice or other document (including certificates for Notes) shall be in writing and may be served on a Noteholder by sending the same by electronic mail or post in a prepaid letter addressed to such Noteholder at its registered address or (if it has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by it/him to the Issuer as its address for the service of notices.

15.2 Any notice or other document may be served on the person entitled to a Note in consequence of the death or bankruptcy of any Noteholder by sending the same by post, in a prepaid letter addressed to it/him by name or by the title of the representative or trustees of such Noteholder, at the address (if any) in the United Kingdom supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred. Service of any notice in accordance with this Condition 15 shall constitute sufficient notice to all other persons interested in the Note.

### **16. Deemed Time of Service of Notices**

16.1 Any notice or document served on the Issuer or Noteholder by:

16.1.1 electronic mail shall be deemed to have been served when sent if sent during normal business hours of the recipient, and if not, then on the next Business Day;

16.1.2 first-class post from within England shall be deemed to have been served on the day after it is posted or, if such day is not a Business Day, then on the next following Business Day and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed, stamped and posted.

### **17. Inspection of this Instrument**

17.1 A copy of this Instrument shall be kept at the registered office of the Issuer. A Noteholder and any person authorised by a Noteholder may at all reasonable times during office hours inspect such copy.

**SCHEDULE 3**  
**Form of Conversion Notice**

**To: OTAQ PLC** (the “**Issuer**”)

We, *[insert Noteholder name]*, being the registered holder of the Convertible Notes created and issued by the Issuer pursuant to a Note Instrument dated *[insert date]* 2024 (the “**Instrument**”) and represented by the enclosed certificate (the “**Certificate**”), hereby give notice that we require the Issuer to convert [the whole /£[.....]] of the principal amount of the Notes represented by the Certificate on [.....] 20[.....] in accordance with the Instrument into fully paid ordinary shares in the capital of the Issuer in accordance with Condition 6 of Schedule 2 of the Instrument.

We agree to accept all the fully paid ordinary shares to be allotted to us pursuant hereto subject to the articles of association of the Issuer.

**Signed:**

.....

Duly authorised signatory for and on behalf of the Noteholder

**Dated** [.....] 20[ ]

**SCHEDULE 4**  
**Provisions as to the Register**

**1. Register of Notes**

- 1.1 The Issuer shall cause a register to be maintained at the registered office of the Issuer (or such other location as the Issuer may determine having notified the Agent) showing the amount of the Notes for the time being issued, the date of issue and the amount of Notes for the time being outstanding, the names and addresses of the Noteholders, the nominal amounts of the Notes held by them respectively, the relevant denoting numbers (as provided in clause 6 of the Instrument) and all transfers or changes of ownership of the Notes.
- 1.2 Any change of name or address on the part of any holder of Notes shall forthwith be notified by the Noteholder to the Agent or the Issuer and the Issuer shall upon notification by either the Noteholder or the Agent, alter the Register accordingly.

**2. Recognition of Noteholder as absolute owner**

- 2.1 Except as required by law, the Issuer will recognise the registered holder of any Notes as the absolute owner thereof and shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust, whether express, implied or constructive or otherwise, to which any Notes may be subject and the Issuer may accept the receipt by the registered holder for the time being of any Notes of the principal moneys payable in respect thereof, or of the interest from time to time accruing due in respect thereof, or for any other moneys payable in respect thereof, as a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to or in such Notes, interest or moneys.
- 2.2 If a warrant in payment of any amounts due to the registered holders of any Notes, made payable and despatched in accordance with the Conditions, is encashed such encashment shall be deemed to be a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to or in such moneys.
- 2.3 No notice of any trust, express, implied or constructive or otherwise, shall (except as by statute provided or as required by order of a court of competent jurisdiction) be entered in the Register in respect of any Notes.

**3. Exclusion of Equities**

- 3.1 The Issuer will recognise every holder of Notes as entitled to its Notes free from any equity, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Notes.

**4. Transferability of Notes**

- 4.1 No holder of Notes will be entitled (subject as provided herein) to transfer any Note unless in accordance with paragraph 4.2. Paragraphs 4.1 to 4.7 shall apply in respect of any transfer.
- 4.2 Notes may be transferred without Issuer consent provided that, prior to such transfer, such transferee agrees to be bound by the terms of a Placing Letter or signs an equivalent agreement to subscribe to the Notes.
- 4.3 A Noteholder shall give notice to the Issuer of any transfer within 30 days of the date of such transfer.
- 4.4 Every instrument of transfer must be in writing in the usual or common form or such other form as the Issuer may accept, for an integral multiple of £10,000 and for less than £10,000 (or such lesser

amount if it represents the Noteholder's entire holding) and be signed by the transferor or where the transferor is a corporation given under its common seal or signed on its behalf by a duly authorised officer or agent and the transferor shall remain the owner of the Notes to be transferred until the name of the transferee is entered in the Register in respect thereof.

4.5 Every instrument of transfer must be lodged for registration at the place where the Register shall for the time being be kept accompanied by the certificate for the Notes stating all or part of the nominal amount of which is to be transferred and such other evidence as the Directors or other officers of the Issuer authorised to deal with transfers may require to prove the title of the transferor or its right to transfer the Notes and, if the instrument of transfer is executed by some other person on its behalf, the authority of the person signing the same.

4.6 No transfer shall be registered of Notes:

4.6.1 in respect of which a Conversion Notice has been given;

4.6.2 where the transfer is being made to or for the account or benefit of person or company located or otherwise resident in a Restricted Jurisdiction;

4.6.3 where the transfer of the Notes is in favour of more than one transferee; or

4.6.4 where the transfer of the Notes to the proposed transferee would constitute a violation of relevant laws or require registration thereof in the jurisdiction of the proposed transferee.

4.7 All instruments of transfer which shall be registered may be retained by the Issuer.

## **5. No Fee for Registration of Transfers**

5.1 No fee shall be charged for the registration of any transfer or for the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any Notes.

## **6. Death or Bankruptcy of Noteholders**

6.1 The executors or administrators of a deceased Noteholder shall be the only persons recognised by the Issuer as having any title to or interest in such Note.

6.2 Any person becoming entitled to Notes in consequence of the death or bankruptcy of any Noteholder or of any other event giving rise to the transmission of such Notes by operation of law may, upon producing such evidence that it sustains the character in respect of which it proposes to act under this paragraph or of its title as the Board shall think sufficient, be registered himself as the holder of the Note or subject to the preceding paragraphs may transfer the Note.

## **7. The Register**

7.1 A Noteholder and any person authorised by it/him may at all reasonable times during office hours inspect the Register and upon payment of a reasonable charge take copies of, or extracts from, the Register or any part of it.

7.2 The Register may be closed by the Issuer for such periods and at such times (not exceeding 30 Business Days in any one year) as it may think fit and during such period the Issuer shall be under no obligation to register transfers of the Notes.

## **8. Risk to Noteholders**

- 8.1 All certificates, other documents and remittances sent through the post shall be sent at the risk of the Noteholders entitled thereto.

**SCHEDULE 5**  
**Provisions for Meetings of Noteholders**

**1. Calling of meetings**

1.1 The Issuer at any time may, and shall upon the request in writing signed by Noteholders holding not less than one third in nominal value of the Notes for the time being outstanding (a “requisition”), convene a meeting of the Noteholders. Every such meeting and every adjourned meeting shall be held at the registered office of the Issuer for the time being or such other place as the Issuer may specify.

1.2 A requisition:

1.2.1 shall state the objects of the meeting;

1.2.2 shall be signed by the requisitionists and sent to the Issuer or deposited at its registered office; and

1.2.3 may consist of several documents in like form each signed by one or more requisitionists.

**2. Notice of Meetings**

2.1 Unless a shorter period is authorised in writing signed by the holders of not less than three-quarters of Notes in issue by value, at least 14 days’ notice (exclusive of the day on which the notice is given or deemed to be given and the day on which the meeting is to be held) specifying the day, time and place of meeting shall be given to the Noteholders of any meeting of the Noteholders. Any such notice shall specify the terms of the resolutions to be proposed and shall include a statement to the effect that proxies may be appointed in accordance with the provisions of paragraph 14 of this Schedule 5. The accidental omission to give notice to, or the non-receipt of notice by, any of the Noteholders shall not invalidate any resolution passed at any such meeting. A meeting of the Noteholders shall, despite being called at shorter notice than specified above, be deemed to have been duly called if it is agreed in writing by all of the Noteholders.

**3. Chairman of Meetings**

3.1 Such person (who may, but need not, be a Noteholder) nominated in writing by the Agent shall be entitled to take the chair at any such meeting or adjourned meeting. If at any meeting or adjourned meeting no person shall be nominated or the person nominated shall not be present within 15 minutes after the time appointed for the holding of such meeting or adjourned meeting the Noteholders present shall choose one of their number to be chairman.

**4. Quorum at Meetings**

4.1 At any such meeting, two or more persons present in person (not being the Issuer, any person directly or indirectly under the control of the Issuer or any nominees thereof) or by proxy (or, if there is only one Noteholder, one person present in person or by proxy) holding Notes or being proxies and being or representing in the aggregate the holders of not less than one third in nominal value of the Notes then outstanding and not held by or on behalf of the Issuer, shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.

**5. Absence of Quorum**

5.1 If within 15 minutes (or such longer period as the chairman shall, in his absolute discretion, decide) from the time appointed for any such meeting a quorum is not present, the meeting shall, if

convened upon the requisition of Noteholders, be dissolved. In any other case, the meeting shall stand adjourned for such period, not being less than 7 days nor more than 28 days, and to such time and place as may be appointed by the chairman. At such adjourned meeting two or more persons present in person or by proxy (not being the Issuer, any person directly or indirectly under the control of the Issuer or any nominee thereof) (or, if there is only one Noteholder, one person present in person or by proxy) holding Notes or being proxies (whatever the nominal amount of the Notes which they hold or represent) shall form a quorum and shall have the power to pass any resolution (other than an Extraordinary Resolution, in respect of which paragraph 17 will apply) and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting.

## **6. Notice of Adjourned Meetings**

- 6.1 At least ten days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as of an original meeting and such notice shall state the quorum required at such adjourned meeting. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

## **7. Adjournment of Meetings**

- 7.1 The Chairman may with the consent of (and shall if directed by) the meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting from which the adjournment took place.

## **8. Resolution on a Show of Hands or Poll**

- 8.1 Every question submitted to a meeting shall be decided in the first instance by a show of hands and, unless a poll is demanded (before or on the declaration of the result of the show of hands) by the chairman, the Issuer or by one or more persons holding Notes or being proxies and being or representing in the aggregate the holders of not less than one-fifth of the nominal amount of the Notes then outstanding and not held by or on behalf of the Issuer, a declaration by the chairman that a resolution has been carried, or carried by a particular majority, or lost, or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## **9. Manner of Taking Poll**

- 9.1 If at any meeting a poll is so demanded it shall be taken in such manner and, subject as hereinafter provided, either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll (other than in respect of the election of the chairman or a request to adjourn) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

## **10. Time for Taking Poll**

- 10.1 Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

## **11. Persons Entitled to Attend and Vote**

- 11.1 Any persons duly authorised by the Issuer, including without limitation the Directors, the Issuer's auditors or legal or financial advisers and any other person authorised by the Issuer's shareholders, shall be entitled to attend and speak at any meeting of the Noteholders. Save as aforesaid no

person shall be entitled to attend or vote at any meeting of the Noteholders unless it is registered as a holder of Notes or such person produces written evidence of his/its appointment as a representative pursuant to paragraph 19 or as a proxy. No votes may be exercised in respect of Notes held by or for the account of the Issuer or anyone directly or indirectly under the control of it, but this shall not prevent any proxy from being a director, officer or representative of, or otherwise connected with the Issuer.

## **12. Votes**

12.1 Subject as provided in paragraph 11, at any meeting:

12.1.1 on a show of hands every Noteholder who (being an individual) is present in person or by proxy or (being a corporation) is present by his/its representative duly authorised in accordance with paragraph 19 or his/its proxy, shall have one vote; and

12.1.2 on a poll every person who is so present shall have one vote in respect of every £1, without regard to fractional amounts, of which he/it is the holder or in respect of which he/it is a proxy or a representative.

12.2 Without prejudice to the obligations of any proxies any person entitled to more than one vote need not use all its votes or cast all the votes to which it is entitled in the same way.

12.3 In the case of joint registered Noteholders any one of them shall be entitled to vote in respect of such Notes either in person or by proxy and, in the latter case, as if the joint holder were solely entitled to such Notes. If more than one joint holder is present at any meeting either personally or by proxy that one joint holder so present whose name as between himself and the other or others present stands first in the register as one of the joint holders shall alone be entitled to vote in person or by proxy.

## **13. No Casting Vote of Chairman**

13.1 In the case of an equality of votes, whether on a show of hands or a poll, the Chairman (even if he is a Noteholder or is a proxy or representative of a Noteholder) shall not have a casting vote.

## **14. Appointment of Proxy**

14.1 Proxies named in any Form of Proxy (as defined below) or block voting instruction need not be Noteholders.

14.2 A Noteholder may by instrument in writing (a "**Form of Proxy**") appoint a proxy. The Form of Proxy shall be signed by the appointor or his/its attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Issuer may, but shall not be bound to, require evidence of the authority of any such officer or attorney.

14.3 A Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Issuer may, in the notice convening the meeting, direct or, if no such place is appointed, then at the registered office of the Issuer not less than 48 hours before the time appointed for holding the meeting at which the person named in the Form of Proxy proposes to vote and, in default, the Form of Proxy shall not be treated as valid. No Form of Proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

14.4 A Form of Proxy may be in any usual or common form or in any other form which the Issuer shall approve. A proxy shall, unless the contrary is stated therein and subject to paragraph 14.3 and



paragraph 14.5, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.

- 14.5 A vote given in accordance with the terms of a Form of Proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of such proxy or of the authority under which the Form of Proxy was executed or transfer of the Notes in respect of which it was executed provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Issuer at its registered office at least one hour before the commencement of the meeting or adjourned meeting for the time being at which such proxy is used.

## **15. Powers of Meetings of Noteholders**

- 15.1 A meeting of the Noteholders shall in addition to all other powers (but without prejudice to any powers conferred on other persons in the Instrument) have the following powers exercisable only by Extraordinary Resolution namely:

15.1.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer whether such rights shall arise under the Conditions, the Instrument or otherwise;

15.1.2 to sanction any proposal by the Issuer for the exchange or substitution for the Notes of other obligations or securities of the Issuer or any other person or entity (other than as set out in the Conditions);

15.1.3 to assent to any modification, abrogation or variation of the Conditions and of the provisions of this Instrument which shall be proposed by the Issuer and in respect of which an Extraordinary Resolution is required, and to authorise the Issuer to execute an instrument supplemental to this Instrument embodying any such modification or abrogation;

15.1.4 to (a) reduce or cancel the principal amount payable on the Notes; (b) modify the method of calculating the amount payable on the Notes; or (c) modify the Interest Payment Date in relation to the Notes; and/or

15.1.5 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution.

## **16. Extraordinary Resolution Binding on all Noteholders**

- 16.1 An Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Instrument shall be binding upon all the Noteholders whether present or not at such meeting and each of the Noteholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify passing it (so that the meeting may determine without appeal whether or not the circumstances justify passing it).

## **17. Definition of "Extraordinary Resolution"**

- 17.1 The expression "Extraordinary Resolution" when used in this Instrument means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained herein by persons present in person or by proxy who hold Notes or are proxies for or represent in the aggregate the holders of not less than three-quarters in nominal value of the Notes for the time being outstanding and not held by or for the account of the Issuer upon a show of hands or, if a poll is demanded, then by votes cast by persons present in person or by proxy who

hold Notes or are proxies for or represent in the aggregate the holders of not less than three-quarters in nominal value of the Notes for the time being outstanding and not held by or on behalf of the Issuer.

## **18. Minutes of Meetings**

18.1 Minutes of all resolutions and proceedings at every such meeting shall be made and duly entered in books to be provided from time to time for that purpose by the Issuer and any such minutes, if they purport to be signed by the chairman of the meeting at which such resolutions were passed or proceedings were transacted or by the chairman of the next succeeding meeting of the Noteholders, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every meeting in respect of which minutes of the proceedings have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.

## **19. Corporate Representatives**

19.1 Any company or corporation which is a holder of Notes may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of Noteholders and such representative shall be entitled to exercise the same powers on behalf of the company or corporation which he/it represents as if he/it were the holder of Notes.

## **20. Resolutions in Writing**

20.1 A resolution in writing signed by or on behalf of the holders of not less than three-quarters in nominal amount of the Notes then in issue (other than Notes held by or for the account of the Issuer) shall have effect in the same manner as an Extraordinary Resolution of Noteholders duly passed at a meeting duly convened and held. Such resolution in writing may be contained in one document or in several documents in like form, each signed by one or more Noteholders.

## **21. Consent of Issuer**

21.1 Notwithstanding anything the Instrument to the contrary, no resolution shall be effective which would increase any obligations of the Issuer under the Instrument without the written consent of the Issuer.



**SCHEDULE 6**  
**Conditions to the Issue**

**1. The Issuer**

- (a) A copy of the resolutions obtained at a general meeting of the Issuer obtaining authorities, amongst other things, to authorise the allotment and issue of the Conversion Shares, in satisfaction of the Issuance Condition.
- (b) A copy of a resolution of the board of directors of the Issuer approving the terms of, and the transactions contemplated by, the documents to which it is a party and resolving that it execute the Note Documents to which it is a party;

**2. Documents**

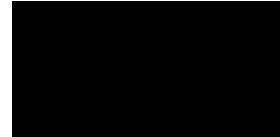
- (a) The Instrument executed by the parties thereto.
- (b) The Charge executed by the parties thereto.
- (c) The Payoff Letter executed by the parties thereto.
- (d) Signed but undated release agreements in respect of all Security granted in connection with the CBILS Loan, with such release agreements to be effective automatically pursuant to the terms of the Payoff Letter.

**3. Other documents and evidence**

- (a) A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Note Document or for the validity and enforceability of any Note Document.

Executed by  
**OTAQ PLC**  
acting by a duly authorised Director:

)  
)  
)



Name: Justine Dowds  
Director

in the presence of a witness:



Linda Washington

Witness name

Linda Washington

Witness address

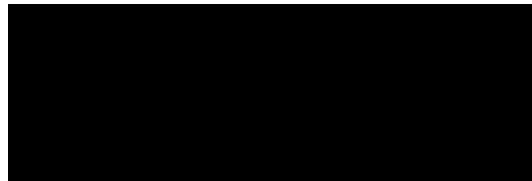


Finance and Office Manager

Witness occupation

Executed by  
**DOWGATE WEALTH LIMITED**  
acting by a duly authorised Director:

)  
)  
)



Name:  
Director

*Sam McKinnon*

in the presence of a witness:



*NICHOLAS CHAMBERS*

Witness name



Witness address

*CORPORATE ADVISORY*

Witness occupation