

TRADETEQ LIMITED

LOAN NOTE INSTRUMENT
constituting
Unsecured Convertible Non-Interest-Bearing Loan Note

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THIS INSTRUMENT is made on

BY:

TRADETEQ LIMITED a company registered in England under company number 10234056 whose registered office is 15 Bishopsgate, London EC2N 3AR (the “**Company**”).

WHEREAS:

Pursuant to a resolution of its board of directors passed on the date hereof, the Company resolved to create the Loan Notes and determined to constitute those Loan Notes in the manner set out in this Instrument.

THE COMPANY HEREBY DECLARES as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Instrument and the Schedules to it the following words and expressions shall have the following meanings unless the context requires otherwise:

“Business Day”

any day on which leading banks are open for business in the City of London, not being a Saturday, Sunday or public holiday;

“Conditions”

the conditions set out in Schedule 1;

“Convert”

means convert and includes exchange, and the words “**conversion**”, “**converted**” or “**convertible**” shall be construed accordingly;

“Conversion Date”

means the date of a Conversion Event;

“Conversion Event”

means all or any of a Qualified Equity Financing, a Maturity Conversion or a Default Conversion;

“Conversion Rate”

means the lower of:

(i) the price per Share paid for Senior Shares by the investors on a Qualified Equity Financing after applying the Discount Rate to that price per Share; and

(ii) the price per Share which results from dividing the Post-Money Valuation Cap by the number of Shares then in issue and which are issuable by the Company after giving effect to completion of the Qualified Equity Financing (including, without limitation, any Shares issuable upon conversion of any warrants, the Loan Notes, any other convertible loan notes or similar equity instruments, and including any allocated and unallocated options; but excluding any increase in the number of unallocated options in connection with the Qualified Equity Financing);

“Conversion Rights”

means the rights of conversion into Shares attached to the Loan Notes in accordance with the Conditions;

“Default Conversion”

means the automatic conversion of the Loan Notes upon the occurrence of a Default Event;

“Default Conversion Rate”

means the par value of the most senior class of Shares then in issue;

“Default Event”

means any of the events listed in Clause 7;

“Discount Rate”

means twenty per cent. (20%);

“Encumbrance”

means and includes any interest or equity of any person (including any right to acquire, option or right of pre-emption) any encumbrance, mortgage, charge, assignment, pledge, lien, right of set-off, retention of title, hypothecation or security interest of any kind whatsoever or any other security agreement or arrangement;

“Extraordinary Resolution”

an extraordinary resolution of the Noteholders passed in accordance with the provisions set out in Schedule 2;

“GBP, or £”

means the lawful currency for the time being of The United Kingdom of Great Britain and Northern Ireland;

“Instrument”

this loan note instrument;

“Loan Notes”

the unsecured convertible non-interest-bearing loan notes of the Company constituted by this Instrument, or the amount of them for the time being outstanding, or a specific portion of them or the monies represented by them, as the case may require;

“Maturity”

means the earlier of (i) such time following the first anniversary of the date of this Instrument as the Noteholder may, by notice in writing to the Company, elect, or (ii) the second anniversary of the date of this Instrument; in each case if not a Business Day then the next Business Day thereafter;

“Maturity Conversion”

means automatic conversion of the Loan Notes at Maturity;

“Maturity Conversion Rate”

the rate of conversion of the Loan Notes into Shares as set out at Condition 1.2;

“Noteholders”

the persons for the time being entered in the Register as the holders of the Loan Notes;

“Post-Money Valuation Cap”

means \$60,000,000;

“Qualified Equity Financing”

means any bona fide equity financing round occurring after the date of this Instrument in which the Company raises an amount equal to at least an aggregate of \$10,000,000 in newly committed capital prior to Maturity, from one or a series of related transactions involving the issue of Shares to one or more investor(s) (which may include existing shareholders of the Company);

“Register”

the register of Noteholders maintained by or on behalf of the Company in accordance with the provisions of this Instrument;

“Senior Shares”

the most senior class of Shares as are issued to the investors at the Qualified Equity Financing or are then in issue (as the case may be);

“Shares”

means the shares in the capital of the Company from time to time;

“Tax”

shall be construed so as to include all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or amounts or charges of a similar nature, or any amount payable on account of, or as security for, any of the foregoing, including any penalties, fines, surcharges or interest payable in connection with such amounts and **“Taxes”** and **“Taxation”** shall be construed accordingly; and

“USD, or \$”

means the lawful currency for the time being of The United States of America.

1.2 In this Instrument, unless the context requires otherwise:

- (a) any reference to a clause or Schedule is to the relevant clause or Schedule of this Instrument;
- (b) headings are included for convenience only and shall not affect the construction of this Instrument;
- (c) use of the singular includes the plural and vice versa;
- (d) use of any gender includes the other genders;
- (e) any reference to **“persons”** or **“people”** includes individuals, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts, in each case whether or not having separate legal personality;
- (f) any reference to a statute, statutory provision or subordinate legislation (**“legislation”**) shall be construed as referring to that legislation as amended or as repealed and re-enacted from time to time; and
- (g) any reference to any individual Noteholder includes a reference to his personal representatives, on whom this Instrument shall be binding.

1.3 The Schedules form part of this Instrument and shall have effect as though set out in full in the body of this Instrument, and any reference to this Instrument includes the Schedules.

2 LOAN NOTES

2.1 The amount of the Loan Notes is limited to the amount of \$5,850,000. Subject to this Instrument, the Loan Notes shall rank *pari passu* equally and rateably without discrimination or preference between them and as unsecured obligations of the Company

2.2 No interest shall be payable on the Loan Notes.

3 TERMS OF ISSUE

3.1 The Loan Notes shall be issued in denominations and integral multiples of \$1.00 (or such other multiples as the Company shall permit) and shall be held subject to the terms set out in this Instrument and the Conditions.

3.2 The Conditions, including all obligations enforceable against the Company and the Noteholders respectively, shall be binding on those parties and any person claiming through them, and shall take effect in the same manner as if set out in the body of this Instrument.

4 CONVERSION

4.1 The Loan Notes shall Convert only in accordance with the Conditions.

- 4.2 The Loan Notes shall Convert in amounts and multiples of \$1.00 in accordance with the Conditions. The Company will procure that all other persons take all necessary actions to Convert the Loans Notes in accordance with the terms of this Instrument.

5 MATURITY

On Maturity the outstanding Loan Notes shall automatically Convert in accordance with the Conditions.

6 CERTIFICATES

Every Noteholder shall be entitled without charge to one certificate for the Loan Notes held by him. However, joint holders of Loan Notes will be entitled to only one Loan Note certificate (provided that the Company shall not be bound to register more than four persons as the joint holders of any Loan Notes) and such Loan Note certificate will be sent to that one of the joint holders who is first named in the Register. The certificates for the Loan Notes shall refer to this Instrument and shall be substantially in the form set out in Schedule 1 and shall have attached to them the Conditions and shall be signed by any one director of the Company in the presence of a witness who attests his signature.

7 EVENTS OF DEFAULT

7.1 A Default Event means any of the following events:

- (a) if a petition is presented or a resolution is passed for winding up the Company (except for the purpose of a reconstruction or amalgamation previously approved by Extraordinary Resolution);
- (b) if the Company stops or threatens to stop payment of its debts or ceases or threatens to cease to carry on its business;
- (c) if an encumbrancer takes possession or a receiver or administrative receiver or manager is appointed over the whole or any material part of the assets or undertaking of the Company or if a distress, execution or other process is levied or enforced upon or sued out against any property of the Company and is not withdrawn, discharged or paid out within ten days;
- (d) if the Company is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (and for the purposes of section 123(e) and 123(2) of the Insolvency Act 1986 it shall not be necessary for it to be proved to the satisfaction of the court);
- (e) if an application is made to the court for an administration order in respect of the Company or if a notice of appointment of an administrator of the Company is filed with the court under schedule B1 to the Insolvency Act 1986 or if a decision is made by or on behalf of the Company to make such an application or to file such a notice or the Company has notice that a holder of a qualifying floating charge has decided to appoint an administrator of the Company under that schedule;
- (f) if a proposal is made under section 1 of the Insolvency Act 1986 for a voluntary arrangement in relation to the debts or affairs of the Company;
- (g) if the Company shall convene a meeting of or propose to enter into any arrangement with its creditors generally or proceedings are commenced in relation to the Company under any law, regulation or procedure relating to the reconstruction or adjustment of debts;
- (h) if any judgement or order given or made by any court or governmental agency against the Company be not fully satisfied and complied with within seven days or if an

execution, sequestration, distress or other process (which expression shall include a garnishee and charging order *nisi*) be levied or enforced or made upon or against any of the property or assets of the Company.

8 REGISTER

- 8.1 The Register will be kept by the Company at the Company's registered office (or at such other place as the Company may from time to time have appointed for that purpose and have notified to the Noteholders) and there shall be entered in the Register:
- (a) the names and addresses of the Noteholders;
 - (b) the amount of the Loan Notes held by each Noteholder;
 - (c) the date on which the name of each Noteholder is entered in respect of the Loan Notes standing in his name; and
 - (d) the number of the certificate issued in respect of the Loan Notes.
- 8.2 Any change of name or address on the part of any Noteholder, which is notified to the company secretary of the Company at the address specified in Clause 8.1, shall be entered in the Register.
- 8.3 Any Noteholder may at all reasonable times during office hours inspect the Register, except during such period or periods, not exceeding 30 Business Days in total in any year, as the Register is closed by the Company.
- 8.4 The Company shall be entitled to treat the registered holder of Loan Notes as the absolute owner of the Loan Notes and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to, or interest in, such Loan Notes on the part of any other person whether or not it shall have express or other notice thereof.

9 FURTHER INDEBTEDNESS

The Company may by resolution of its board of directors or otherwise create and issue further loan notes or other debentures, or incur any other indebtedness whatsoever ranking in priority to or *pari passu* with the Loan Notes, or whatsoever dispose of all or any part of its assets, business or undertaking without recourse to the Noteholders.

10 REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company hereby represents and warrants to the Noteholders, as of the date hereof as follows:

- 10.1 Organization. The Company is a private company duly organized and validly existing under the laws of the England and Wales. The Company has the requisite corporate power to own and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not: (i) have or reasonably be expected to result in a material adverse effect on the results of operations, assets, business or financial condition of the Company, or (ii) adversely impair the Company's ability to perform in any material respect on a timely basis its obligations under this Loan Note or any related document (any of (i) or (ii), a "**Material Adverse Effect**"). No proceeding or resolution for bankruptcy, dissolution, liquidation, winding-up, scheme of arrangement with creditors, appointment of receiver and/or similar proceeding has been

instituted or taken by the Company, and no such proceeding has been instituted or, to the best of its knowledge, threatened against the Company.

- 10.2 Authority; Consents; Validity. The Company has all requisite power and authority to execute, deliver, and perform its obligations under this Loan Note and all related agreements (the “**Transaction Documents**”). All necessary corporate proceedings of the Company to authorize the execution, delivery, and the performance of this Loan Note and the other Transaction Documents by the Company will have been duly taken prior to the date hereof. This Loan Note is the legal, valid, and binding obligation of the Company, and is enforceable as to the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.
- 10.3 Compliance with Other Instruments. The Company is not in violation or default of any term of its certificate of incorporation or bylaws, or of any provision of any mortgage, indenture or contract to which it is a party and by which it is bound or of any judgment, decree, order or writ, other than such violations that would not individually or in the aggregate have a Material Adverse Effect. The execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated by the Transaction Documents will not result in any such violation or be in conflict with, or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, decree, order or writ or an event that results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties. The sale of the Loan Notes is not and will not be subject to any pre-emptive rights or rights of first refusal that have not been properly waived or complied with.
- 10.4 Litigation. There are no actions, suits, proceedings or investigations pending or, to the best of the Company’s knowledge, threatened before any court, administrative agency or other governmental body against the Company which question the validity of this Loan Note or the right of the Company to enter into it, or to consummate the transactions contemplated by this Loan Note, or which would reasonably be expected to have a Material Adverse Effect. The Company is not a party or subject to, and none of its assets is bound by, the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality which would reasonably be expected to have a Material Adverse Effect.
- 10.5 Capitalization. Attached as Annex 10.5 hereto is the current capitalization table of the Company setting forth, the number and class of shares held by each shareholder of the Company, and the total number of reserved and granted (including all allocated and unallocated) options, warrants, and all other rights to purchase or acquire from the Company any share capital of the Company, on a fully diluted basis. Other than as stated in the Articles of Association of the Company, no securities of the Company are entitled to pre-emptive or similar rights, and no person has any right of first refusal, pre-emptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. The Company does not have any stock appreciation rights or “phantom stock” plans or agreements or any similar plan or agreements.
- 10.6 Compliance with Laws. To its knowledge, the Company is not in violation of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties, which violation would have a Material Adverse Effect.
- 10.7 Equity Financing. The Company intends to close a Qualified Equity Financing as soon as reasonably practical after the date of this instrument.

11 MEETINGS

Meetings of Noteholders shall be convened and held in accordance with Schedule 2.

12 TRANSFER OF LOAN NOTES

The Loan Notes shall be non-transferrable.

13 SUPPLEMENTARY INSTRUMENTS

A memorandum of execution of any instrument supplemental to this Instrument shall be endorsed by the Company on this Instrument.

14 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Save as expressly provided in this Instrument and other than the Noteholders, a person who is not a party to this Instrument has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Instrument.

15 LAW

This Instrument and the Loan Notes shall be governed by and construed in accordance with the laws of England and Wales. The Noteholders shall be deemed to have submitted to the exclusive jurisdiction of the courts of England and Wales in any action or proceedings arising from or in connection with the Loan Notes.

IN WITNESS of the above this Instrument has been executed as a deed and delivered on the date written at the beginning of this document.

SCHEDULE 1**Certificate****TRADETEQ LIMITED (the "Company")**

(Incorporated and registered under the Companies Act 2006 and registered in England and Wales with company number 10234056)

UNSECURED CONVERTIBLE NON-INTEREST BEARING LOAN NOTES 2022

Certificate No [●]

Amount \$ [●]

Issued pursuant to the Articles of Association of the Company and to a resolution of the Board of Directors of the Company passed on [●] 2022.

Dated [●] 2022

THIS IS TO CERTIFY THAT [●] of [●] is/are the registered holder(s) of \$ [● in amount of Tradeteq Limited Unsecured Convertible Non-Interest Bearing Loan Notes 2022 (the "Loan Notes") constituted by an Instrument entered into by the Company on [●] 2022 (the "Instrument") and issued with the benefit of, and subject to the provisions contained in, the Instrument.

The Discount Rate applicable to these shares shall be 20%.

Where the context permits, terms defined in the Instrument shall have the same meaning when used in this Certificate.

This Certificate has been executed as a deed and delivered on the date set out above.

EXECUTED as a DEED by)	
TRADETEQ LIMITED)	
acting by)	
)
a director,)	Director
in the presence of:)	

Witness' signature:

Witness' name:

Witness' address:

.....

.....

Witness' occupation:

Conditions

1 **CONVERSION RIGHTS**

- 1.1 On a Qualified Equity Financing, the Loan Notes shall automatically Convert into fully paid Senior Shares at the Conversion Rate.
- 1.2 On a Maturity Conversion, the Loan Notes shall automatically Convert into fully paid Shares of the most senior class then in issue at a price per share equal to the lower of:
 - (i) the price per Share which results from dividing the Post-Money Valuation Cap by the number of Shares then in issue and which are issuable by the Company immediately prior to the date the Maturity Conversion (including, without limitation, any Shares issuable upon conversion of any warrants, the Loan Notes, any other convertible loan notes or similar equity instruments, and including any allocated and unallocated options), and
 - (ii) the price per Share as determined by an Expert as being the fair value of the Share based on the assumption of a willing buyer and seller reduced by the Discount Rate.
- 1.3 On a Default Conversion, the Loan Notes shall automatically Convert into fully paid Shares of the most senior class then in issue at the Default Conversion Rate.
- 1.4 Where the value of the Loan Notes subject to conversion pursuant to Conditions 1.1, 1.2 or 1.3 at the Conversion Rate, the Maturity Conversion Rate or the Default Conversion Rate (as applicable) does not Convert into a whole number of Shares then the number of Shares allotted and issued to the relevant Noteholder pursuant to Condition 1.5 shall be rounded up to the nearest whole number of Shares.
- 1.5 Subject to Condition 1.7, upon completion of a Conversion Event, the Company will allot and issue as at the Conversion Date to each Noteholder such number of Shares, credited as fully paid, to which he shall be entitled by virtue of the conversion and such allotment and issue shall be in full satisfaction and discharge of the moneys in respect of the Loan Notes so converted. Each Shares arising on conversion shall be issued and allotted at such premium to reflect the difference between the nominal amount of the Share and the principal amount of the Loan Notes converted into one Share on the relevant Conversion Date.
- 1.6 Subject to Condition 1.7, the Company shall send free of charge to the Noteholder a certificate for the number of Shares issued pursuant a Conversion Event.
- 1.7 Shares allotted on conversion of the Loan Notes shall be credited as fully paid, free of Encumbrances and shall rank pari passu in all respects with all Shares of the same class in issue on the Conversion Date save that they will not be entitled to any dividends or other distributions declared, paid or made by reference to a record date prior to the Conversion Date.
- 1.8 For the purposes of Condition 1.2, the "Expert" is either the Company's auditors or, if they are unable or unwilling to act or if the Company or Noteholder do not wish the auditors to act, an independent firm of accountants or valuers, which is chosen and appointed by the Company and the Noteholder.
- 1.9 On appointment, the Expert shall be requested to deliver its opinion as to the price per Share, so that the Company receives it within 25 Business Days of the appointment.
- 1.10 The Expert shall act as an expert and not as an arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 1.11 The cost of obtaining the Expert's opinion shall be borne solely by the Company.

2 **RETURN OF CERTIFICATES**

Unless the Company waives such obligation, every Noteholder whose Loan Notes are due to be converted under any of the provisions of the Instrument shall on the Conversion Date, deliver up to the Company at its registered office for the time being the Certificate(s) for his Loan Notes which are due to be converted in order that the same may be cancelled or an indemnity in such form as the Company may reasonably require in respect of any such certificate which has been lost or destroyed.

3 **MODIFICATION**

The provisions of the Instrument and the rights of the Noteholders are subject to modification, abrogation or compromise in any respect with the sanction of an Extraordinary Resolution and with the prior written consent of the Company.

4 **NOTICES**

- 4.1 Any notice or other document (including a Loan Note) may be given or sent to any Noteholder by sending the same by first class post in a prepaid envelope addressed to that Noteholder at his registered address in the United Kingdom or via email to such email address as shall be provided to the Company by the Noteholder. In the case of joint registered holders of any Loan Notes, a notice given to the Noteholder whose name stands first in the register in respect of such Loan Notes shall be sufficient notice to all joint holders.
- 4.2 Notice may be given to the persons entitled to any Loan Notes in consequence of the death, bankruptcy or insanity of any Noteholder by sending the same by first class post in a prepaid envelope addressed to them by name or by the title of the representative or trustee of that holder at the address (if any) in the United Kingdom supplied for the purpose by those persons or (until such an address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.
- 4.3 Any notice required to be given to the Company under the Instrument may be given either personally or by sending it by pre-paid recorded or special delivery post (or pre-paid international recorded airmail if sent internationally) to the Company's registered office address from time to time or via email to such email address as shall be provided to the Noteholder by the Company.
- 4.4 Any notice given or document delivered by hand before 5.30 p.m. on any Business Day shall be deemed to have been given at the time of delivery, and otherwise at 10.00 am on the next Business Day. Any notice or other document sent by post in accordance with the Conditions shall be deemed duly given two Business Days after posting if posted to an address within the United Kingdom from an address within the United Kingdom and five Business Days if posted to an address within the United Kingdom from an address not within the United Kingdom.

5 **REGISTERED HOLDER AND TRANSMISSION**

- 5.1 Except as required by law or as ordered by a court of competent jurisdiction, the Company will recognise the registered holder of any Loan Notes as the absolute owner of them and shall not be bound to take notice or see to the execution of any trust, whether express, implied or constructive, to which any Loan Notes may be subject.
- 5.2 The executors or administrators of a deceased registered holder of Loan Notes (not being one of several joint registered holders) and in the case of the death of one or more of several joint registered holders the survivor or survivors of such joint registered holders shall be the only person or persons recognised by the Company as having any title to such Loan Notes.
- 5.3 Any person becoming entitled to Loan Notes in consequence of the death, bankruptcy or insanity of a holder of Loan Notes or of any other event giving rise to the transmission of those

Loan Notes by operation of law may, upon producing such evidence in respect of which he proposes to act under this Condition or of his title as the Company shall reasonably require, be registered himself as the holder of those Loan Notes.

6 REPLACEMENT CERTIFICATES

If any Loan Note is defaced, lost or destroyed, it shall be renewed at the request of the registered holder without charge and within 10 Business Days of the date of such request (or, if the date of conversion falls during this period, on the date of such conversion) on such terms (if any) as to evidence and indemnity as the directors of the Company may reasonably require but so that, in the case of defacement, the defaced Loan Note shall be surrendered before the new Loan Note is issued.

7 DEFINITIONS

Words and expressions defined in the Instrument shall have the same respective meanings where used in these Conditions.

SCHEDULE 2

Provisions as to Meetings

1. The Company may, and shall at the request, which may not be made more than twice in every calendar year, in writing of Noteholders holding not less than one tenth of the value of the Loan Notes for the time being outstanding, convene a meeting of the Noteholders. Such a meeting shall be held at such place within England as the Company shall determine or approve or via teleconference.
2. Any meeting of the Noteholders shall be held for the purposes of considering and if thought fit approving any matter by way of Extraordinary Resolution in accordance with Condition 3 or in accordance with paragraph 19 of this Schedule 2.
3. At least 14 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Noteholders. The notice shall specify the place, day and hour of meeting and the terms of the resolutions to be proposed. The non-receipt of notice by any of the Noteholders shall not invalidate the proceedings at any meeting.
4. Subject to the provisions of paragraph 5 of this Schedule 2 with regard to adjourned meetings and to paragraph 18 of this Schedule 2, at any meeting the quorum shall be a person or persons holding or representing by proxy a clear majority in amount of the Loan Notes for the time being outstanding. No business shall be transacted at any meeting (other than the choosing of a Chairman) unless the requisite quorum is present at the commencement of business. For the purposes of this Schedule one person may constitute a meeting.
5. If within 15 minutes, or such longer time (not exceeding half an hour) as the Chairman may determine to wait, from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Noteholders, shall be dissolved. In any such case it shall stand adjourned to such day and time not being less than 10 Business Days or more than 21 days after that date and to such place in England or via teleconference as may be appointed by the Chairman and at the adjourned meeting any Noteholder or Noteholders present in person or by proxy whatever the amount of the Loan Notes held by them shall be a quorum. At least 5 Business Days' notice of any meeting of Noteholders adjourned through want of a quorum shall be given in the same manner mutatis mutandis as for an original meeting and that notice shall state that any Noteholder or Noteholders present in person or by proxy at the adjourned meeting whatever the amount of Loan Notes held by them will form a quorum. Except as provided in this paragraph, it shall not be necessary to give notice of any adjourned meeting.
6. Any person (who may but need not be a Noteholder) nominated in writing by the Noteholders holding not less than 50% of the value of the Loan Notes for the time being outstanding shall preside as Chairman at every meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Noteholders present shall choose one of their number to be Chairman.
7. The Chairman may with the consent of (and shall if directed by) any meeting at which a quorum is present adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
8. At any meeting a resolution put to the vote of the meeting shall be decided on a poll. The poll shall be taken in such manner as the Chairman may direct and the result of such a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

9. In the case of an equality of votes the Chairman of the meeting shall not be entitled to a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as a proxy.
10. On a poll every Noteholder who is present in person, or present by its duly authorised representative or by proxy shall have one vote in respect of each \$1 of the Loan Notes held by him.
11. In the case of joint registered holders of Loan Notes the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
12. On a poll votes may be given either personally or by proxy and a Noteholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
13. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of a duly authorised officer or attorney.
14. A person appointed to act as a proxy need not be a Noteholder.
15. The instrument appointing a 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 or places as the Company may in the notice convening the meeting direct or if no such place is appointed then at the registered office for the time being of the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll held 24 hours or more after the time appointed for the meeting or adjourned meeting not less than 24 hours before the time appointed for the taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
16. An instrument of proxy may be in the usual common form or in such other form as the Company may approve. The proxy shall be deemed to include the right to demand or join in demanding a poll. An instrument of proxy shall, unless the contrary is stated on it, be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
17. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such revocation shall have been received at the registered office for the time being of the Company at least 2 hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is used.
18. Any company or corporation which is a registered holder of any of the Loan Notes may by resolution of its directors or other governing body authorise any person to act as its representative which representative shall be entitled to exercise the same powers on behalf of the company or corporation which he represents as if he were the registered holder of the Loan Notes.
19. A meeting of the Noteholders shall, in addition to all other powers pursuant to Condition 3, have the following powers exercisable by Extraordinary Resolution:
 - (a) power to sanction any scheme or proposal for the sale or exchange of the Loan Notes for or the conversion of the Loan Notes into shares, loan notes, debentures, debenture loan notes or other obligations or securities of the Company or any other company formed or to be formed or cash or partly for or into such shares, loan notes, debentures, debenture loan notes or other obligations or securities as aforesaid and partly for or

into cash and for the appointment of some person with power on behalf of the Noteholders to execute an instrument of transfer of the Loan Notes held by them in favour of the person to or with whom the Loan Notes is to be sold or exchanged respectively;

- (b) power to sanction any modification, abrogation or compromise or any arrangement in respect of the rights of the Noteholders against the Company pursuant to the Instrument and/or the Conditions;
 - (c) power to appoint any persons (whether Noteholders or not) as a committee to represent the interest of the Noteholders and to confer upon any committee any powers or discretions which the Noteholders could themselves exercise.
20. An Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this Schedule shall be binding upon all the Noteholders whether or not present at the meeting and each of the Noteholders shall be bound to give effect to it accordingly.
 21. The expression "**Extraordinary Resolution**" when used in this Schedule 2 means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions set out in this Instrument and carried by a majority consisting of not less than seventy five percent of the votes cast on a poll provided that at least seventy five per cent of the votes capable of being cast on the resolution have been cast on it (whether or not they were cast in favour of or against the resolution).
 22. A resolution in writing signed by, or on behalf of, all the Noteholders who for the time being are entitled to receive notice of a meeting in accordance with the provisions set out in this Instrument shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting of such holders duly convened and held in accordance with the provisions set out in this Instrument. Such a resolution in writing may be contained in one document or in several documents in like form each signed by, or on behalf of, one or more of the Noteholders.
 23. Minutes of all resolutions at every meeting shall be made, signed by the chairman of the meeting and duly entered in books to be from time to time provided by the Company and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed at them to have been duly passed.

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Director

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