

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

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **March 12, 2024**

**ARCH THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction  
of incorporation)

**000-54986**  
(Commission  
File Number)

**46-0524102**  
(I.R.S. Employer  
Identification No.)

**235 Walnut Street, Suite 6**  
**Framingham, Massachusetts**  
(Address of principal executive offices)

**01702**  
(Zip Code)

Registrant's telephone number, including area code: **(617) 431-2313**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

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

As previously disclosed in the Current Report on Form 8-K filed by Arch Therapeutics, Inc. (the “**Company**”) with the Securities and Exchange Commission (the “**SEC**”) on July 8, 2022, the Company entered into a Securities Purchase Agreement, dated July 6, 2022, as amended on January 18, 2023 and as further amended on May 15, 2023 (as amended, the “**2022 SPA**”), with certain institutional and accredited individual investors (collectively, the “**Investors**”) for the issuance and sale by the Company to the Investors of convertible promissory notes, warrants to purchase shares of common stock, par value \$0.001 per share (the “**Common Stock**”), and shares of Common Stock (the “**Convertible Notes Offering**”). The first closing of the Convertible Notes Offering occurred on July 6, 2022, the second closing of the Convertible Notes Offering occurred on January 18, 2023, and the third closing of the Convertible Notes Offering occurred on May 15, 2023.

On March 12, 2024, the Company entered into Amendment No. 3 to the SPA (the “**Third Amendment**” and, together with the 2022 SPA, the “**Amended SPA**”), with certain Investors in connection with the fourth closing of the Convertible Notes Offering for the issuance and sale by the Company to such Investors of an aggregate of (i) Unsecured Convertible Promissory Notes (each a “**Fourth Note**” and collectively, the “**Fourth Notes**”) in the aggregate principal amount of \$648,000, which includes an aggregate \$108,000 original issue discount in respect of the Fourth Notes; (ii) Warrants (the “**Fourth Warrants**”) to purchase an aggregate of 130,383 shares (the “**Warrant Shares**”) of Common Stock; and (iii) 9,779 shares of Common Stock (the “**Inducement Shares**”). The aggregate net proceeds for the sale of the Fourth Notes, Fourth Warrants and Inducement Shares was approximately \$450,000, after deducting issuance discounts. The fourth closing of the sales of these securities under the Amended SPA occurred on March 12, 2024 (the “**Fourth Closing Date**”). On March 18, 2024, effective March 15, 2024, the Company entered into Amendment No. 1 to the Fourth Notes, as described in detail below, to modify the terms of the Uplist Transaction (as defined below) repayment provision and extend the date for completion of the Uplist Transaction.

The Company intends to use the net proceeds from the Convertible Notes Offering primarily for working capital and general corporate purposes, and has not allocated specific amounts for any specific purposes.

#### *Fourth Notes*

The Fourth Notes become due and payable on March 15, 2024 (the “**Maturity Date**”) and may not be prepaid, in whole or in part, at any time except with the written consent of the lead investor, with such prepayment amounts subject to adjustment as a result of certain time-based prepayment premiums set forth in the Fourth Notes; *provided, that*, the written consent of the lead investor is not required in connection with a prepayment made from the proceeds of an Uplist Transaction (as defined below). The Fourth Notes bear interest on the unpaid principal balance at a rate equal to ten percent (10%) (computed on the basis of the actual number of days elapsed in a 360-day year) per annum accruing from the Fourth Closing Date until the Fourth Notes become due and payable at maturity or upon their conversion, acceleration or by prepayment, and may become due and payable upon the occurrence of an event of default under the Fourth Notes. Any amount of principal or interest on the Fourth Notes which is not paid when due shall bear interest at the rate of the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum amount allowed by law from the due date thereof until payment in full (the “**Default Interest**”).

The Fourth Notes are convertible into an aggregate of 65,191 shares of Common Stock (such shares of Common Stock, the “**Conversion Shares**”) at the option of each holder of the Fourth Notes from the Fourth Closing Date at the Conversion Price (as defined below) through the later of (i) the Maturity Date and (ii) the date of payment of the Default Amount (as defined in the Fourth Note); *provided, however*, certain Fourth Notes include a provision preventing such conversion if, as a result, the holder, together with its affiliates and any other persons whose beneficial ownership of Company Common Stock would be aggregated with the holder’s, would be deemed to beneficially own more than 4.99% of the outstanding shares of the Company’s Common Stock (the “**Notes Ownership Limitation**”) immediately after giving effect to the Conversion; and *provided further*, the holder, upon notice to the Company, may increase or decrease the Notes Ownership Limitation; *provided that* (i) the Notes Ownership Limitation may only be increased to a maximum of 9.99% of the outstanding shares of the Company’s Common Stock; and (ii) any increase in the Notes Ownership Limitation will not become effective until the 61st day after delivery of such waiver notice. The initial conversion price of the Fourth Notes (the “**Conversion Price**”) shall be equal to \$9.14 and may be reduced or increased proportionately as a result of any stock dividends, recapitalizations, reorganizations, and similar transactions. If the Company fails to deliver the shares of Common Stock issuable upon a conversion by the Deadline (as defined in the Fourth Notes), then the Company is obligated to pay such Fourth Note holder \$5,000 per day in cash for each day beyond the Deadline.

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The Fourth Notes contain customary events of default, which include, among other things, (i) the Company's failure to pay when due any principal or interest payment under the Fourth Notes; (ii) the insolvency of the Company; (iii) delisting of the Company's Common Stock; (iv) the Company's breach of any material covenant or other material term or condition under the Fourth Notes; and (v) the Company's breach of any representations or warrants under the Fourth Notes which cannot be cured within five (5) days. Further, events of default under the Fourth Notes also include (i) the unavailability of Rule 144 on or after July 18, 2023; (ii) the Company's failure to deliver the shares of Common Stock to the Fourth Note holder upon exercise by such holder of its conversion rights under the Fourth Note; (iii) the Company's loss of the "bid" price for its Common Stock and/or a market and such loss is not cured during the specified cure periods; and (iv) the Company's failure to complete an uplist to any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American by March 15, 2024 (an "**Uplist Transaction**").

Upon an event of default, the Fourth Notes shall become immediately due and payable and the Company shall pay to each Fourth Note holder an amount equal to 125% (the "**Default Premium**") multiplied by the sum of the outstanding principal amount of the Fourth Notes plus any accrued and unpaid interest on the unpaid principal amount of the Fourth Notes to the date of payment, plus any Default Interest and any other amounts owed to the Holder under the Amended SPA (the "**Default Amount**"); *provided that*, upon any subsequent event of default not in connection with the first event of default, such holder shall be entitled to an additional five percent (5%) to the Default Premium for each subsequent event of default. At the election of each Fourth Note holder, the Default Amount may be paid in cash or shares of Common Stock equal to the Default Amount divided by the Conversion Price at the time of payment.

#### *Fourth Warrants*

The Fourth Warrants (i) have an exercise price of \$9.94 per share; (ii) have a term of exercise equal to 5 years after their issuance date; (iii) are exercisable immediately after their issuance; and (iv) have a provision preventing the exercisability of such Fourth Warrant if, as a result of the exercise of the Fourth Warrant, the holder, together with its affiliates and any other persons whose beneficial ownership of Company Common Stock would be aggregated with the holder's, would be deemed to beneficially own more than either 4.99% or 9.99% of the outstanding shares of the Company's Common Stock (the "**Warrant Ownership Limitation**") immediately after giving effect to the exercise of the Fourth Warrant. The holder, upon notice to the Company, may increase or decrease the Warrant Ownership Limitation; *provided that* (i) the Warrant Ownership Limitation may only be increased to a maximum of 9.99% of the outstanding shares of the Company's Common Stock; and (ii) any increase in the Warrant Ownership Limitation will not become effective until the 61st day after delivery of such waiver notice. The number of shares of Common Stock into which each of the Fourth Warrants is exercisable and the exercise price therefor are subject to adjustment as set forth in the Fourth Warrants, including adjustments for stock subdivisions or combinations (by any stock split, stock dividend, recapitalization, reorganization, scheme, arrangement or otherwise).

#### *Third Amended and Restated Registration Rights Agreement*

On March 12, 2024, we entered into an amendment (the "Third A&R Registration Rights Agreement") to that certain Second Amended and Restated Registration Rights Agreement, dated as of May 15, 2023, by and among us and certain institutional and accredited individual investors, as amended (the "A&R Registration Rights Agreement"). Under the Third A&R Registration Rights Agreement, the A&R Registration Rights Agreement was amended to obligate us to file with the SEC a registration statement covering the resale of the securities issued on the Fourth Closing Date.

The preceding descriptions of Amendment No. 3 to the SPA, the Third A&R Registration Rights Agreement, the Fourth Notes and the Fourth Warrants are qualified in their entirety by reference to the copies of the form of Amendment No. 3 to the SPA, the form of Third A&R Registration Rights Agreement, the form of Fourth Note and the form of Fourth Warrant filed herewith as [Exhibit 10.1](#), [Exhibit 10.2](#), [Exhibit 10.3](#), and [Exhibit 4.1](#) to this Current Report on Form 8-K, respectively, which are incorporated herein by reference.

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## Note Modification Agreements

On March 18, 2024, with effectiveness as of March 15, 2024, the Company entered into an amendment ("**Amendment No. 15 to the First Notes**") with the holders of the Company's outstanding Senior Secured Convertible Promissory Notes, as separately amended on February 14, 2023, March 10, 2023, March 15, 2023, April 15, 2023, May 15, 2023, June 15, 2023, July 1, 2023, July 7, 2023, July 31, 2023, August 30, 2023, September 30, 2023, October 31, 2023, November 15, 2023 and January 5, 2024 (as amended, the "**First Notes**"), issued in connection with a private placement financing the Company completed on July 6, 2022. On March 18, 2024, with effectiveness as of March 15, 2024, the Company also entered into an amendment ("**Amendment No. 15 to the Second Notes**") with the holders of the Company's outstanding Unsecured Convertible Promissory Notes, as separately amended on February 14, 2023, March 10, 2023, March 15, 2023, April 15, 2023, May 15, 2023, June 15, 2023, July 1, 2023, July 7, 2023, July 31, 2023, August 30, 2023, September 30, 2023, October 31, 2023, November 15, 2023 and January 5, 2024 (as amended, the "**Second Notes**"), issued in connection with a private placement financing the Company completed on January 18, 2023. On March 18, 2024, with effectiveness as of March 15, 2024, the Company also entered into an amendment ("**Amendment No. 10 to the Third Notes**") with the holders of the Company's outstanding Unsecured Convertible Promissory Notes, as separately amended on June 15, 2023, July 1, 2023, July 7, 2023, July 31, 2023, August 30, 2023, September 30, 2023, October 31, 2023, November 15, 2023 and January 5, 2024 (as amended, the "**Third Notes**"), issued in connection with a private placement financing the Company completed on May 15, 2023. On March 18, 2024, with effectiveness as of March 15, 2024, the Company also entered into an amendment ("**Amendment No. 1 to the Fourth Notes**") with the holders of the Company's outstanding Senior Secured Convertible Promissory Notes, issued in connection with a private placement financing the Company completed on March 12, 2024 (as amended, the "**Fourth Notes**" and, together with the First Notes, Second Notes, and Third Notes, the "**Notes**").

Under the amendments to the Notes, the following amendments will be simultaneously effective upon the closing of the Uplist Transaction. 95% of the then outstanding principal amount of the Notes shall automatically convert (the "**Automatic Conversion**") into shares of Common Stock, with the conversion price for purposes of such Automatic Conversion being \$0.50. Upon the Automatic Conversion and to the extent that the beneficial ownership of a holder of Notes (a "**Holder**" and, all holders of Notes together, the "**Holders**") would increase over the applicable Notes Ownership Limitation, the Holder will receive pre-funded warrants (the "**Note Conversion Pre-Funded Warrants**"), and the shares issuable upon exercise thereof, the "**Note Conversion Pre-Funded Warrant Shares**") in lieu of shares of Common Stock otherwise issuable to the Holder in connection with the Automatic Conversion, which Note Conversion Pre-Funded Warrants shall have an exercise price of \$0.000125 per share, may be exercised on a cashless basis, shall be exercisable immediately upon issuance and shall contain a customary beneficial ownership limitation provision. Additionally, under the amendments to the Notes, the Uplist Transaction completion date and the Maturity Date (as defined in the Notes) were modified to April 30, 2024.

In addition, upon the Automatic Conversion, the Holder shall receive a warrant (the "**Uplist Conversion Warrant**"), and the shares issuable upon exercise thereof, to purchase a number of shares of Common Stock equal to 80 times the dollar amount under the Notes that was converted in the Automatic Conversion. The Uplist Conversion Warrant shall have an exercise price per share of \$0.50 and shall otherwise be identical to the warrants being issued to the investors under the Purchase Agreement dated November 8, 2023.

The preceding descriptions of Amendment No. 15 to the First Notes, Amendment No. 15 to the Second Notes, Amendment No. 10 to the Third Notes, and Amendment No. 1 to the Fourth Notes are qualified in their entirety by reference to the copies of the forms of Amendment No. 15 to the First Notes, Amendment No. 15 to the Second Notes, Amendment No. 10 to the Third Notes, and Amendment No. 1 to the Fourth Notes filed herewith as [Exhibit 10.4](#), [Exhibit 10.5](#), [Exhibit 10.6](#), and [Exhibit 10.7](#) to this Current Report on Form 8-K, respectively, which are incorporated herein by reference.

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**Item 9.01 Financial Statements and Exhibits.**

(d) The following exhibits are being filed herewith:

<u>Exhibit</u>	<u>Description</u>
4.1	<a href="#">Form of Fourth Warrant</a>
10.1	<a href="#">Form of Amendment No. 3 to Securities Purchase Agreement*</a>
10.2	<a href="#">Form of Third A&amp;R Registration Rights Agreement</a>
10.3	<a href="#">Form of Fourth Note</a>
10.4	<a href="#">Form of Amendment No. 15 to the First Notes</a>
10.5	<a href="#">Form of Amendment No. 15 to the Second Notes</a>
10.6	<a href="#">Form of Amendment No. 10 to the Third Notes</a>
10.7	<a href="#">Form of Amendment No. 1 to the Fourth Notes</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Pursuant to Item 601(b)(10) of Regulation S-K, certain identified information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed. Further, the schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.

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**SIGNATURES**

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

**ARCH THERAPEUTICS, INC.**

Dated: March 18, 2024

By: /s/ Terrence W. Norchi, M.D.  
Name: Terrence W. Norchi, M.D.  
Title: President, Chief Executive Officer

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

**COMMON STOCK PURCHASE WARRANT  
ARCH THERAPEUTICS, INC.**

Warrant Shares: \_\_\_\_\_

Initial Exercise Date: \_\_\_\_\_

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, \_\_\_\_\_ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the Initial Exercise Date and on or prior to 5:00 p.m. (New York City time) on \_\_\_\_\_ (such applicable date, the "Termination Date") but not thereafter, to subscribe for and purchase from Arch Therapeutics, Inc., a Nevada corporation (the "Company"), up to \_\_\_\_\_ shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated as of July 6, 2022, by and among the Company and the buyers signatory thereto, as amended on January 18, 2023, May 15, 2023 and March 12, 2024.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i)) following the date of exercise as aforesaid, the Holder shall deliver to the Company the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of Common Stock under this Warrant, subject to adjustment as provide herein, shall be \$9.94.

c) Cashless Exercise. If at any time following the applicable Effectiveness Deadline (as defined in the Amended and Restated Registration Rights Agreement) ("Registration Deadline"), there is no effective registration statement registering, or no currently prospectus available for, the resale of the Warrant Shares by the Holder (a "Registration Default"), then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(c).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

If at any time after the Registration Deadline, there is a Registration Default, then, for each full thirty (30) day period following the Registration Deadline, the amount of Warrant Shares of Holder shall be automatically increased by two percent (2%) over the Warrant Shares which are held by the Holder as on such dates, not to exceed in the aggregate an additional twenty-four percent (24%).

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d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) three (3) Trading Days after the delivery to the Company of the Notice of Exercise, (ii) two (2) Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise and aggregate Exercise Price (if not a cashless exercise) (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate (but not Rule 144) purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the third (3rd) Trading Day the Warrant Share Delivery Date) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the product of (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

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v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares. The Company shall pay all attorney fees required for the issuance of attorney legal opinions for removal of restrictive legends on Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

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Section 3.      Certain Adjustments.

a)      Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Reserved.

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c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, warrant or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

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f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 15 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

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Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

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d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with the provisions of Section 2(f) of the Purchase Agreement.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock one and a half (1.5) times the number of shares needed to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant (such that the aggregate amount so reserved for all Warrants combined is one and a half (1.5) times the amount needed for all such Warrants). The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

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Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise after six months from the date hereof, may have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment; Waivers. Any modifications, amendments or waivers of the provisions hereof shall be subject to Section 7(e) of the Purchase Agreement.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

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n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

o) Equal Treatment of Holders. No consideration (including any modification of this Warrant) shall be offered or paid to any Person (as such term is defined in the Purchase Agreement) to amend or consent to a waiver or modification of any provision hereof unless the same consideration is also offered to all of the Holders. For clarification purposes, this provision constitutes a separate right granted to each Holder by the Company and negotiated separately by each Holder and is intended for the Company to treat the Holders as a class and shall not in any way be construed as the Holders acting in concert or as a group with respect to the Warrants or the shares of Common Stock issuable upon exercise of the Warrants.

p) Terms of Future Securities. So long as this Warrant is outstanding, except for the offering conducted in connection with the Uplist, upon any issuance by the Company or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Warrant, then the Company shall notify the Holder of such additional or more favorable term and at Holder's option, the Company shall use its best efforts to cause such additional or more favorable term to become a part of this Warrant with the Holder (irrespective of whether Company provided the notification or not). The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing anti-dilution protections, stock sale price, private placement price per share, and warrant coverage.

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*(Signature Page Follows)*

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IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_

Name:

Title: Chief Executive Officer

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**NOTICE OF EXERCISE**

TO: \_\_\_\_\_

(1) The undersigned hereby elects to purchase \_\_\_\_\_ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

\_\_\_\_\_

The Warrant Shares shall be delivered to the following DWAC Account Number:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: \_\_\_\_\_

*Signature of Authorized Signatory of Investing Entity:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Date: \_\_\_\_\_



**ASSIGNMENT FORM**

*(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)*

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_  
(Please Print)

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_

AMENDMENT NO. 3  
TO  
SECURITIES PURCHASE AGREEMENT

This Amendment No. 3 to the Securities Purchase Agreement (this “**Amendment**”) is made and entered into effective March 12, 2024 (the “**Amendment No. 3 Effective Date**”) between Arch Therapeutics, Inc., a Nevada corporation (the “**Company**”), and the Consenting Stockholders (as defined below). Capitalized terms not defined herein shall have the same meaning as set forth in the Securities Purchase Agreement (as defined below).

RECITALS:

**WHEREAS**, the Company and each buyer identified on the signature pages thereto (each, including its successors and assigns, a “**Buyer**” and collectively, the “**Buyers**”) entered into the Securities Purchase Agreement dated as of July 6, 2022, as amended on January 18, 2023 and as further amended on May 15, 2023 (as amended, the “**Securities Purchase Agreement**”), pursuant to which, upon the terms and subject to the conditions contained therein, the Company agreed to issue and sell, and each Buyer, severally and not jointly, agreed to purchase from the Company the Notes and the Warrants;

**WHEREAS**, pursuant to Section 7(e), the Securities Purchase Agreement may be amended in a written instrument signed by the Company, the Lead Investor, and Buyers which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Buyers, collectively the “**Consenting Stockholders**”); and

**WHEREAS**, the Company and the Consenting Stockholders desire to (a) increase the Maximum Amount of Notes sold and purchased pursuant to the Securities Purchase Agreement; (b) amend the Securities Purchase Agreement to cover the Fourth Closing (as defined below); (c) include the Fourth Closing Schedule of Buyers attached hereto as Schedule A to the Securities Purchase Agreement as the Fourth Closing Schedule of Buyers; (d) include the Form of Fourth Note (as defined below) attached hereto as Exhibit J to the Securities Purchase Agreement as Exhibit J; and (e) include the Form of Fourth Warrant (as defined below) attached hereto as Exhibit K to the Securities Purchase Agreement as Exhibit K.

**NOW, THEREFORE**, for due and adequate consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Clause B of the Recitals of the Securities Purchase Agreement shall be amended and restated as follows:

“WHEREAS, subject to the terms and provisions hereinafter set forth and upon the terms and subject to the limitations and conditions set forth in the Notes (as defined below), (i) each Buyer, severally and not jointly, desires to purchase, and the Company desires to sell and issue to Buyers, (a) senior secured convertible promissory notes, each in the form attached hereto as Exhibit A (the “**First Notes**”) convertible into shares of common stock, \$0.001 par value per share, of the Company (the “**Common Stock**”), and (b) warrants, each in the form attached hereto as Exhibit B (the “**First Warrants**”), (the “**First Closing**”), and (ii) certain Buyers, severally and not jointly, desire to purchase, and the Company desires to sell and issue to such Buyers, (a) unsecured convertible promissory notes, each in the form attached hereto as Exhibit F (the “**Second Notes**”) convertible into Common Stock, and (b) warrants, each in the form attached hereto as Exhibit G (the “**Second Warrants**”), (the “**Second Closing**”), and (iii) certain Buyers, severally and not jointly, desire to purchase, and the Company desires to sell and issue to such Buyers, (a) unsecured convertible promissory notes, each in the form attached hereto as Exhibit H (the “**Third Notes**”) convertible into Common Stock, and (b) warrants, each in the form attached hereto as Exhibit I (the “**Third Warrants**”), (the “**Third Closing**”), and (iv) certain Buyers, severally and not jointly, desire to purchase, and the Company desires to sell and issue to such Buyers, (a) unsecured convertible promissory notes, each in the form attached hereto as Exhibit J (the “**Fourth Notes**”) convertible into Common Stock, and (b) warrants, each in the form attached hereto as Exhibit K (the “**Fourth Warrants**”), (the “**Fourth Closing**”), and (v) each Buyer, severally and not jointly, may desire to purchase and the Company may desire to sell and issue to Buyers, (a) one or more additional convertible promissory notes convertible into Common Stock, each in the form attached hereto as either (1) Exhibit A, Exhibit F, Exhibit H, or Exhibit J, or (2) in such form to be mutually agreed upon by the Company, the Lead Investor (as defined below) and the participating Buyers (the “**Additional Notes**” and together with the First Notes, Second Notes, Third Notes, and Fourth Notes, the “**Notes**”), and (b) one or more additional warrants, each in the form attached hereto as either (1) Exhibit B, Exhibit G, Exhibit I, or Exhibit K or (2) such form to be mutually agreed upon by the Company, the Lead Investor and the participating Buyers (the “**Additional Warrants**”, and together with the First Warrants, Second Warrants, Third Warrants, and Fourth Warrants, the “**Warrants**”), as may mutually be agreed in additional closings as set forth in Section 1(d) below (together with the Second Closing, Third Closing, and Fourth Closing, the “**Additional Closings**”) (each of the First Closing, the Second Closing, the Third Closing, the Fourth Closing and the Additional Closings are sometimes hereinafter individually referred to as a “**Closing**” and collectively as the “**Closings**” and this Agreement and any and all documents or instruments executed or to be executed by in connection with this Agreement, including the Notes, the Warrants, the Security Agreement, in the form attached as Exhibit C hereto (the “**Security Agreement**”), the Guaranty, in the form attached as Exhibit D hereto (the “**Guaranty**”), the Registration Rights Agreement, in the form attached as Exhibit E hereto (as amended and restated from time to time, the “**Registration Rights Agreement**”) and the Irrevocable Transfer Agent Instructions, together with all modifications, amendments, extensions, future advances, renewals, and substitutions thereof are sometimes hereinafter individually referred to as a “**Transaction Document**” and collectively as the “**Transaction Documents**”).”

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2. Clause C of the Recitals of the Securities Purchase Agreement shall be amended and restated as follows:

“WHEREAS, the aggregate principal amount of Notes sold pursuant to this Agreement shall not exceed Six Million Nine Hundred Sixteen Thousand Five Hundred 93/100 United States Dollars (US\$6,916,500.93) (the “**Maximum Amount**”), which amount can be increased by mutual agreement of the Company, [\*\*\*] (the “**Lead Investor**”), and the Buyers that are majority-in-interest holders of the outstanding Notes.”

3. Section 1(b) of the Securities Purchase Agreement shall be amended and restated as follows:

“First Closing; Second Closing; Third Closing; Fourth Closing (i) The First Closing of the purchase and sale of the First Notes in an aggregate principal amount of Four Million Two Hundred Thirty Thousand No/100 United States Dollars (US\$4,230,000.00), and First Warrants for an aggregate purchase price of Three Million Five Hundred and Twenty Five Thousand No/100 United States Dollars (US\$3,525,000.00), Five Hundred and Seventy Five Thousand No/100 United States Dollars (US\$575,000.00) of which was funded to the Company prior to the date hereof, and shall take place on the Effective Date, subject to satisfaction of the conditions to the First Closing set forth in this Agreement (the “**First Closing Date**”). Subject to the satisfaction (or waiver) of the terms and conditions of this Agreement, in respect of the First Closing Date each Buyer shall purchase (i) a First Note in the principal amount set forth opposite such Buyer’s name in column (3) on the Schedule of Buyers attached hereto for (x) a purchase price set forth opposite such Buyer’s name in column (4) on the Schedule of Buyers hereto, or (y) in the case of each Prior Series Holder, the surrender of a Series Note in respect of which the amount owing thereunder is forth opposite such Prior Series Holder’s name in column (4) on the Schedule of Buyers hereto, and (ii) a First Warrant initially entitling the applicable Buyer to purchase a number of shares of Common Stock equal to the principal amount of such Buyer’s First Note divided by the closing price of the Common Stock on the Trading Day immediately prior the First Closing Date.

(ii) The Second Closing of the purchase and sale of the Second Notes in an aggregate principal amount of Six Hundred Thirty Six Thousand and No/100 United States Dollars (US\$636,000.00), and Second Warrants for an aggregate purchase price of Five Hundred Thirty Thousand No/100 United States Dollars (US\$530,000.00), Four Hundred Forty Six Thousand Six Hundred Sixty Seven No/100 United States Dollars (US\$446,667.00) of which was funded to the Company prior to the date hereof, and shall take place on the Amendment Effective Date, subject to satisfaction of the conditions to the Second Closing set forth in this Agreement (the “**Second Closing Date**”). Subject to the satisfaction (or waiver) of the terms and conditions of this Agreement, in respect of the Second Closing Date each Buyer shall purchase (i) a Second Note in the principal amount set forth opposite such Buyer’s name in column (3) on the Second Closing Schedule of Buyers attached hereto for a purchase price set forth opposite such Buyer’s name in column (4) on the Second Closing Schedule of Buyers hereto, and (ii) a Second Warrant initially entitling the applicable Buyer to purchase a number of shares of Common Stock equal to two times the principal amount of such Buyer’s Second Note divided by \$9.94.

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(iii) The Third Closing of the purchase and sale of the Third Notes in an aggregate principal amount of Seven Hundred Two Thousand Seven Hundred Twenty and No/100 United States Dollars (US\$702,720.00), and Third Warrants for an aggregate purchase price of Five Hundred Eighty Five Thousand Six Hundred and No/100 United States Dollars (US\$585,600.00), all of which was funded to the Company prior to the date hereof, and shall take place on the Amendment No. 2 Effective Date, subject to satisfaction of the conditions to the Third Closing set forth in this Agreement (the “**Third Closing Date**”). Subject to the satisfaction (or waiver) of the terms and conditions of this Agreement, in respect of the Third Closing Date each Buyer shall purchase (i) a Third Note in the principal amount and with an issuance date as set forth opposite such Buyer’s name in column (3) and (5), respectively, on the Third Closing Schedule of Buyers attached hereto for a purchase price set forth opposite such Buyer’s name in column (4) on the Third Closing Schedule of Buyers hereto, and (ii) a Third Warrant dated as set forth opposite such Buyer’s name in column (5) on the Third Closing Schedule of Buyers and initially entitling the applicable Buyer to purchase a number of shares of Common Stock equal to two times the principal amount of such Buyer’s Third Note divided by \$9.94.

(iv) The Fourth Closing of the purchase and sale of the Fourth Notes in an aggregate principal amount of Six Hundred Forty Eight Thousand No/100 United States Dollars (US\$648,000), and Fourth Warrants for an aggregate purchase price of Five Hundred Forty Thousand No/100 United States Dollars (US\$540,000), all of which was funded to the Company prior to the date hereof, and shall take place on the Amendment No. 3 Effective Date, subject to satisfaction of the conditions to the Fourth Closing set forth in this Agreement (the “**Fourth Closing Date**”). Subject to the satisfaction (or waiver) of the terms and conditions of this Agreement, in respect of the Fourth Closing Date each Buyer shall purchase (i) a Fourth Note in the principal amount and with an issuance date as set forth opposite such Buyer’s name in column (3) and (5), respectively, on the Fourth Closing Schedule of Buyers attached hereto for a purchase price set forth opposite such Buyer’s name in column (4) on the Fourth Closing Schedule of Buyers hereto, and (ii) a Fourth Warrant dated as set forth opposite such Buyer’s name in column (5) on the Fourth Closing Schedule of Buyers and initially entitling the applicable Buyer to purchase a number of shares of Common Stock equal to two times the principal amount of such Buyer’s Fourth Note divided by \$9.94.

(v) Additional Closings, if any, of the purchase and sale of the Additional Notes and Additional Warrants shall be at such times and for such amounts as determined in accordance with Section 1(d) below, subject to satisfaction of the conditions to the Additional Closings set forth in this Agreement (the “**Additional Closing Dates**”, collectively, with the First Closing Date, the Second Closing Date, the Third Closing Date, and the Fourth Closing Date are referred to as the “**Closing Dates**”). The Closings shall occur on the respective Closing Dates through the use of overnight mails, electronic email and subject to customary escrow instructions from Buyers and their respective counsel, or in such other manner as is mutually agreed to by the Company and the Buyers.”

4. The reference to “2,070,531” in Section 3(c) of the Securities Purchase Agreement shall be replaced with “13,833,016.”

5. Section 4(a) of the Securities Purchase Agreement shall be amended and restated as follows:

“Best Efforts. The parties shall use their commercially reasonable best efforts to satisfy timely each of the conditions described in Sections 5 and 6 of this Agreement. In addition, the Company shall use its commercially reasonable best efforts to complete the Uplist Transaction (as defined in the Registration Rights Agreement) by March 31, 2024.”

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6. Section 4(k) of the Securities Purchase Agreement shall be amended and restated as follows:

“Restriction on Activities. (i) Commencing as of the Effective Date, and until the sooner of (1) the six month anniversary of the date first written above or (2)(I) payment of the First Notes in full, or full conversion of the First Notes, and (II) exercise of the First Warrants in full, the Company shall not, directly or indirectly, without each Buyer’s prior written consent, which consent shall not be unreasonably withheld: (a) change the nature of its business; (b) sell, divest, acquire, change the structure of any material assets other than in the ordinary course of business; or (c) solicit any offers for, respond to any unsolicited offers for, or conduct any negotiations with any other person or entity in respect of any variable rate debt transactions (i.e., transactions where the conversion or exercise price of the security issued by the Company varies based on the market price of the Common Stock) that does not contain a floor price that is more than 50% the closing price of the Common Stock on the Trading Day immediately prior to the date hereto, whether a transaction similar to the one contemplated hereby or any other investment.

(ii) Commencing as of the Amendment Effective Date, and until (1) the payment of the Second Notes in full, or full conversion of the Second Notes, and (2) exercise of the Second Warrants in full, the Company shall not, directly or indirectly, without the prior written consent of each Buyer who participated in the Second Closing, which consent shall not be unreasonably withheld: (a) change the nature of its business; (b) sell, divest, acquire, change the structure of any material assets other than in the ordinary course of business; or (c) solicit any offers for, respond to any unsolicited offers for, or conduct any negotiations with any other person or entity in respect of any variable rate debt transactions (i.e., transactions where the conversion or exercise price of the security issued by the Company varies based on the market price of the Common Stock) that does not contain a floor price that is more than 50% the closing price of the Common Stock on the Trading Day immediately prior to the date hereto, whether a transaction similar to the one contemplated hereby or any other investment.

(iii) Commencing as of the Amendment No. 2 Effective Date, and until (1) the payment of the Third Notes in full, or full conversion of the Third Notes, and (2) exercise of the Third Warrants in full, the Company shall not, directly or indirectly, without the prior written consent of each Buyer who participated in the Third Closing, which consent shall not be unreasonably withheld: (a) change the nature of its business; (b) sell, divest, acquire, change the structure of any material assets other than in the ordinary course of business; or (c) solicit any offers for, respond to any unsolicited offers for, or conduct any negotiations with any other person or entity in respect of any variable rate debt transactions (i.e., transactions where the conversion or exercise price of the security issued by the Company varies based on the market price of the Common Stock) that does not contain a floor price that is more than 50% the closing price of the Common Stock on the Trading Day immediately prior to the date hereto, whether a transaction similar to the one contemplated hereby or any other investment.

(iv) Commencing as of the Amendment No. 3 Effective Date, and until (1) the payment of the Fourth Notes in full, or full conversion of the Fourth Notes, and (2) exercise of the Fourth Warrants in full, the Company shall not, directly or indirectly, without the prior written consent of each Buyer who participated in the Fourth Closing, which consent shall not be unreasonably withheld: (a) change the nature of its business; (b) sell, divest, acquire, change the structure of any material assets other than in the ordinary course of business; or (c) solicit any offers for, respond to any unsolicited offers for, or conduct any negotiations with any other person or entity in respect of any variable rate debt transactions (i.e., transactions where the conversion or exercise price of the security issued by the Company varies based on the market price of the Common Stock) that does not contain a floor price that is more than 50% the closing price of the Common Stock on the Trading Day immediately prior to the date hereto, whether a transaction similar to the one contemplated hereby or any other investment.”

7. Section 4(p) of the Securities Purchase Agreement shall be amended and restated as follows:

“Upon the First Closing, the Company shall pay US\$50,000.00 to the Lead Investor’s legal counsel for preparation of the Transaction Documents (the **‘First Closing Transaction Expense Amounts’**) which such amounts shall be offset from the Purchase Price payable by the Lead Investor and shall be paid to the Lead Investor’s legal counsel upon the execution hereof. Additionally, for the avoidance of doubt, there shall be an aggregate Seven Hundred and Five Thousand No/100 United States Dollars (US\$705,000.00) original issue discount (the **“OID”**) in respect of the First Notes. The OID has been included in the aggregate principal amount of the First Notes and as such the aggregate principal amount of First Notes is Four Million Two Hundred Thirty Thousand No/100 United States Dollars (US\$4,230,000.00).

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Upon the Second Closing, the Company shall pay Fifteen Thousand No/100 United States Dollars (US\$15,000.00 to the Lead Investor's legal counsel for preparation of the applicable Transaction Documents (the "**Second Closing Transaction Expense Amounts**" and, collectively with the First Closing Transaction Expense Amounts, the "**Transaction Expense Amounts**") which such amounts shall be offset from the Purchase Price payable by the Lead Investor and shall be paid to the Lead Investor's legal counsel on the Amendment Effective Date. Additionally, for the avoidance of doubt, there shall be an aggregate One Hundred Six Thousand No/100 United States Dollars (US\$106,000.00) OID in respect of the Second Notes. The OID has been included in the aggregate principal amount of the Second Notes and as such the aggregate principal amount of Second Notes is Six Hundred Thirty Six Thousand No/100 United States Dollars (US\$636,000.00)."

Upon the Third Closing, the Company shall pay Eight Thousand No/100 United States Dollars (US\$8,000.00) to the Lead Investor's legal counsel for preparation of the applicable Transaction Documents (the "**Third Closing Transaction Expense Amounts**" and, collectively with the First Closing Transaction Expense Amounts and Second Closing Transaction Expense Amounts, the "**Transaction Expense Amounts**") which such Third Closing Transaction Expense Amounts to be paid by the Company to the Lead Investor's legal counsel on the Amendment No. 2 Effective Date. Additionally, for the avoidance of doubt, there shall be an aggregate One Hundred Seventeen Thousand One Hundred Twenty No/100 United States Dollars (US\$117,120.00) OID in respect of the Third Notes. The OID has been included in the aggregate principal amount of the Third Notes and as such the aggregate principal amount of Third Notes is Seven Hundred Two Thousand Seven Hundred Twenty No/100 United States Dollars (US\$702,720.00)."

For the avoidance of doubt, there shall be an aggregate One Hundred Eight Thousand No/100 United States Dollars (US\$108,000) OID in respect of the Fourth Notes. The OID has been included in the aggregate principal amount of the Fourth Notes and as such the aggregate principal amount of Fourth Notes is Six Hundred Forty Eight Thousand No/100 United States Dollars (US\$648,000)."

8. Section 4(s) of the Securities Purchase Agreement shall be amended and restated as follows:

"On the date of each Closing the Company shall issue to each Buyer as further consideration for such Buyer agreeing to purchase its Notes, a number of shares of Common Stock (the "**Inducement Shares**") equal to 15% of the principal amount of such Buyer's Note divided by \$9.94. With respect to the Inducement Shares issued in the First Closing, Second Closing, Third Closing, and Fourth Closing each Buyer agrees that prior to the earlier of (i) the date of the listing of the Common Stock on any of the Nasdaq National Market, Nasdaq Small Cap Market, New York Stock Exchange or NYSE MKT, or (ii)(A) December 31, 2022, with respect to the Inducement Shares issued in the First Closing or (ii)(B) February 28, 2023 with respect to the Inducement Shares issued in the Second Closing or (ii)(C) May 31, 2023 with respect to the Inducement Shares issued in the Third Closing or (ii)(D) March 31, 2024 with respect to the Inducement Shares issued in the Fourth Closing, each participating Buyer agrees that it shall not sell more than 20% of its Inducement Shares."

9. Section 6(b)(vi) of the Securities Purchase Agreement shall be amended and restated as follows:

"Each Buyer shall have executed a waiver of Section 4.14 of the First Notes, Second Notes, and Third Notes and Section 5(p) of the First Warrants, Second Warrants, and Third Warrants."

10. The Fourth Closing Schedule of Buyers attached as Schedule A hereto shall be added to the Fourth Closing Schedule of Buyers of the Securities Purchase Agreement.

11. The Form of Fourth Note attached as Exhibit J hereto shall be added to Exhibit J of the Securities Purchase Agreement.

12. The Form of Fourth Warrant attached as Exhibit K hereto shall be added to Exhibit KJ of the Securities Purchase Agreement.

13. Except as modified by this Amendment, all other terms and conditions in the Securities Purchase Agreement shall remain in full force and effect and this Amendment shall be governed by all provisions thereof, including Section 7(a) regarding governing law. This Amendment may be executed in separate counterparts, all of which taken together shall constitute a single instrument.

*[Remainder of Page Intentionally Left Blank]*

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**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories as of the date first indicated above.

**ARCH THERAPEUTICS, INC.**

By:  
Name:  
Title:

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[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR BUYER FOLLOWS]

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**ACKNOWLEDGEMENT OF GUARANTOR**

IN WITNESS WHEREOF, the undersigned (the "**Guarantor**") hereby acknowledges and agrees to this Amendment, acknowledges and reaffirms its Obligations owing to the Buyers under its Guaranty, dated July 6, 2022 (as the same may be amended, amended and restated, or supplemented from time to time, the "**Guaranty**"), and agrees that (i) the Guaranty is and shall remain in full force and effect with respect to the Obligations (as defined in the Guaranty) under the Guaranty and (ii) the Obligations of the Guarantor shall include all Notes issued pursuant to this Amendment, including without limitation, the Fourth Notes.

**ARCH BIOSURGERY, INC.**

By: \_\_\_\_\_  
Name:  
Title:  
  
\_\_\_\_\_

[BUYER SIGNATURE PAGES TO AMENDMENT]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Buyer: \_\_\_\_\_

*Signature of Authorized Signatory of Buyer:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

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SCHEDULE A

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**EXHIBIT J**

**FORM OF FOURTH NOTE**

Attached

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**EXHIBIT K**

**FORM OF FOURTH WARRANT**

Attached

**THIRD AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT**

This Third Amended and Restated Registration Rights Agreement (this “**Agreement**”) is made and entered into as of March 12, 2024, between Arch Therapeutics, Inc., a Nevada Corporation (the “**Company**”), and certain holders of the Company’s Notes and Warrants identified on the signature pages hereto (collectively, the “**Consenting Stockholders**”). This Agreement amends and restates that certain Second Amended and Restated Registration Rights Agreement, dated as of May 15, 2023, as amended on June 17, 2023, November 8, 2023 and November 21, 2023 (as amended, the “**A&R Registration Rights Agreement**”), by and among the Company and each purchaser identified on the signature pages thereto (each, including its successors and assigns, a “**Purchaser**” and collectively, the “**Purchasers**”).

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of July 6, 2022 between the Company and each Purchaser, as amended on January 18, 2023, May 15, 2023 and March 12, 2024 (as amended, the “**Purchase Agreement**”).

**WHEREAS**, Section 2 of the A&R Registration Rights Agreement provides certain registration rights to the Purchasers;

**WHEREAS**, the Company and the Consenting Stockholders wish to amend the A&R Registration Rights Agreement in order to provide additional registration rights to the Consenting Stockholders in connection with an Additional Closing under the Purchase Agreement;

**WHEREAS**, Section 7(c) of the A&R Registration Rights Agreement provides that any provision of the A&R Registration Rights Agreement may be amended with the written consent of the Company and the Holders of 51% or more of the then outstanding **Registrable Securities**; and

**WHEREAS**, the Consenting Stockholders collectively constitute 51% or more of the outstanding Registerable Securities.

**NOW, THEREFORE**, in consideration of the premises, the mutual provisions of this Agreement, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

**Section 1. Definitions.** Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

“**Advice**” shall have the meaning set forth in **Section 4(d)**.

“**Business Day**” means any day except Saturday, Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day

“**Commission**” means the Securities and Exchange Commission.

“**Conversion Shares**” means the shares of Common Stock issuable upon conversion of the Notes.

“**Effectiveness Deadline**” means, (i) with respect to the Initial Registration Statement required to be filed hereunder, the 90<sup>th</sup> calendar day following July 6, 2022; (ii) with respect to the Second Registration Statement, Third Registration Statement and Fourth Registration Statement required to be filed hereunder, the 60<sup>th</sup> calendar day following the date of its filing; and (iii) with respect to any additional Registration Statements which may be required pursuant to **Section 2(c)**, the 60<sup>th</sup> calendar day following the date on which an additional Registration Statement is required to be filed hereunder; provided, however, that in the event the Company is notified by the Commission that one or more of the above Registration Statements will not be reviewed or is no longer subject to further review and comments, the Effectiveness Deadline as to such Registration Statement shall be the fifth Trading Day following the date on which the Company is so notified if such date precedes the dates otherwise required above, provided, further, if such Effectiveness Deadline falls on a day that is not a Trading Day, then the Effectiveness Deadline shall be the next succeeding Trading Day.

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**“Effectiveness Period”** shall have the meaning set forth in Section 2(a)(iii).

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Filing Deadline”** means: (i) with respect to the Initial Registration Statement, the date that is 45 days following the First Closing; (ii) with respect to the Second Registration Statement, Third Registration Statement and Fourth Registration Statement, the earlier of (A) the date that is 30 days following the Uplist Transaction, and (B) April 15, 2024; and (iii) with respect to any additional Registration Statements which may be required pursuant to Section 2(c), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities.

**“First Closing Effectiveness Period”** shall have the meaning set forth in Section 2(a)(i).

**“First Closing Inducement Shares”** means shares of Common Stock issued at the First Closing in an amount equal to 15% of the principal amount of the First Notes divided by \$9.94.

**“First Closing Registrable Securities”** means, as of any date of determination: (a) all of the Conversion Shares then issued and issuable upon conversion in full of the First Notes; (b) all of the Warrant Shares then issued and issuable upon exercise in full of the First Warrants; (c) all of the First Closing Inducement Shares and (d) any securities issued or then issuable upon any antidilution provisions, stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such securities shall cease to be First Closing Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as: (i) a Registration Statement with respect to the sale of such First Closing Registrable Securities is declared effective by the Commission under the Securities Act and such First Closing Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (ii) such First Closing Registrable Securities have been sold in accordance with Rule 144 and the Company has delivered certificates representing such securities that no longer bear a legend and/or for which the Transfer Agent has not instituted a stop order restricting further transfer, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise or conversion of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company).

**“Fourth Closing Effectiveness Period”** shall have the meaning set forth in Section 2(a)(iv).

**“Fourth Closing Inducement Shares”** means shares of Common Stock issued at the Fourth Closing in an amount equal to 15% of the principal amount of the Fourth Notes divided by \$9.94.

**“Fourth Closing Registrable Securities”** means, as of any date of determination: (a) all of the Conversion Shares then issued and issuable upon conversion in full of the Fourth Notes; (b) all of the Warrant Shares then issued and issuable upon exercise in full of the Fourth Warrants; (c) all of the Fourth Closing Inducement Shares and (d) any securities issued or then issuable upon any antidilution provisions, stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such securities shall cease to be Fourth Closing Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as: (i) a Registration Statement with respect to the sale of such Fourth Closing Registrable Securities is declared effective by the Commission under the Securities Act and such Fourth Closing Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (ii) such Fourth Closing Registrable Securities have been sold in accordance with Rule 144 and the Company has delivered certificates representing such securities that no longer bear a legend and/or for which the Transfer Agent has not instituted a stop order restricting further transfer, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise or conversion of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company).

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“**Holder**” or “**Holders**” means the holder or holders, as the case may be, from time to time of Registrable Securities.

“**Indemnified Party**” shall have the meaning set forth in Section 6(c).

“**Indemnifying Party**” shall have the meaning set forth in Section 6(c).

“**Inducement Shares**” shall mean the First Closing Inducement Shares, the Second Closing Inducement Shares, the Third Closing Inducement Shares, and the Fourth Closing Inducement Shares.

“**Initial Registration Statement**” means the initial Registration Statement in connection with First Closing filed pursuant to Section 2(a)(i) of this Agreement.

“**Losses**” shall have the meaning set forth in Section 6(a).

“**Note(s)**” shall have the same meaning set forth in the Purchase Agreement.

“**Prospectus**” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“**Registrable Securities**” means, as of any date of determination: (a) all of the Conversion Shares then issued and issuable upon conversion in full of the Notes; (b) all of the Warrant Shares then issued and issuable upon exercise in full of the Warrants; (c) all of the Inducement Shares and (d) any securities issued or then issuable upon any antidilution provisions, stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as: (i) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (ii) such Registrable Securities have been sold in accordance with Rule 144 and the Company has delivered certificates representing such securities that no longer bear a legend and/or for which the Transfer Agent has not instituted a stop order restricting further transfer, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise or conversion of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company).

“**Registration Statement**” means any registration statement required to be filed hereunder pursuant to Section 2(a) or Section 3 and any additional registration statements contemplated by Section 2(c), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre-and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

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“**Rule 144**” means Rule 144 promulgated by the Commission under the 1933 Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the Commission that may at any time permit the Holders to sell securities of the Company to the public without registration.

“**Rule 415**” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission providing for offering securities on a continuous or delayed basis.

“**Rule 424**” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

“**SEC Guidance**” means: (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff; and (ii) the Securities Act.

“**Second Closing Effectiveness Period**” shall have the meaning set forth in Section 2(a)(ii).

“**Second Closing Inducement Shares**” means shares of Common Stock issued at the Second Closing in an amount equal to 15% of the principal amount of the Second Notes divided by \$9.94.

“**Second Closing Registrable Securities**” means, as of any date of determination: (a) all of the Conversion Shares then issued and issuable upon conversion in full of the Second Notes; (b) all of the Warrant Shares then issued and issuable upon exercise in full of the Second Warrants; (c) all of the Second Closing Inducement Shares and (d) any securities issued or then issuable upon any antidilution provisions, stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such securities shall cease to be Second Closing Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as: (i) a Registration Statement with respect to the sale of such Second Closing Registrable Securities is declared effective by the Commission under the Securities Act and such Second Closing Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (ii) such Second Closing Registrable Securities have been sold in accordance with Rule 144 and the Company has delivered certificates representing such securities that no longer bear a legend and/or for which the Transfer Agent has not instituted a stop order restricting further transfer, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise or conversion of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company).

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Selling Stockholder Questionnaire**” shall have the meaning set forth in Section 4(a).

“**Third Closing Effectiveness Period**” shall have the meaning set forth in Section 2(a)(iii).

“**Third Closing Inducement Shares**” means shares of Common Stock issued at the Third Closing in an amount equal to 15% of the principal amount of the Third Notes divided by \$9.94.

“**Third Closing Registrable Securities**” means, as of any date of determination: (a) all of the Conversion Shares then issued and issuable upon conversion in full of the Third Notes; (b) all of the Warrant Shares then issued and issuable upon exercise in full of the Third Warrants; (c) all of the Third Closing Inducement Shares and (d) any securities issued or then issuable upon any antidilution provisions, stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such securities shall cease to be Third Closing Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as: (i) a Registration Statement with respect to the sale of such Third Closing Registrable Securities is declared effective by the Commission under the Securities Act and such Third Closing Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (ii) such Third Closing Registrable Securities have been sold in accordance with Rule 144 and the Company has delivered certificates representing such securities that no longer bear a legend and/or for which the Transfer Agent has not instituted a stop order restricting further transfer, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise or conversion of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, as reasonably determined by the Company, upon the advice of counsel to the Company).

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“**Trading Day**” means a day on which the principal national securities exchanges on which the Registrable Securities is listed or admitted to trading, are open for the transaction of business or, if the Registrable Securities are not listed or admitted to trading on any national securities exchange, a Business Day.

“**Uplist Transaction**” means the listing of the Common Stock on any of the Nasdaq Capital Market, Nasdaq Global Market, New York Stock Exchange or NYSE American.

“**Warrant(s)**” shall have the same meaning set forth in the Purchase Agreement.

“**Warrant Shares**” means the shares of Common Stock issuable upon exercise of the Warrants.

## **Section 2. Required Registration.**

(a)(i) The Company shall prepare and, as soon as practicable, but in no event later than the applicable **Filing Deadline**, file with the **Commission** a **Registration Statement** covering the resale of all of the **First Closing Registrable Securities** (the “**Initial Registration Statement**”); provided that the **Initial Registration Statement** shall register for resale at least the number of shares of Common Stock equal to 100% of the sum of the maximum number of shares of Common Stock issuable upon conversion of the First Notes or exercise of the First Warrants at the initial conversion price thereof (the “**Initial Required Registration Amount**”); provided that should any event following the date hereof result in the maximum number of shares of Common Stock issuable upon conversion of the First Notes or exercise of the First Warrants being increased because of the application of any provisions thereof, the Company shall promptly file an amendment to the **Initial Registration Statement** providing for registration of such additional shares. The Registration Statement filed hereunder shall be on Form S-1 in connection with the First Closing. Subject to the terms of this Agreement, the Company shall cause each **Registration Statement** required to be filed under this Agreement to be declared effective under the **Securities Act** as promptly as possible after the filing thereof, but in any event no later than the applicable **Effectiveness Deadline**, and shall keep such Registration Statements continuously effective under the **Securities Act** until the earlier of: (i) the date that all **Registrable Securities** covered by such **Registration Statement** no longer constitute **Registrable Securities**, or (ii) the two year anniversary of July 6, 2022 (the “**First Closing Effectiveness Period**”). The Company shall telephonically request effectiveness of a **Registration Statement** as of 5:00 p.m. Eastern Time on a **Trading Day**. The Company shall promptly notify the Holders via facsimile or by e-mail of the effectiveness of a **Registration Statement** on the same **Trading Day** that the Company telephonically confirms effectiveness with the **Commission**, which shall be the date requested for effectiveness of such **Registration Statement**. The Company shall, by 9:30 a.m. Eastern Time on the **Trading Day** after the effective date of such **Registration Statement**, file a final **Prospectus** with the **Commission** as required by **Rule 424**.

(ii) The Company shall prepare and, as soon as practicable, but in no event later than the applicable **Filing Deadline**, file with the **Commission** a **Registration Statement** covering the resale of all of the **Second Closing Registrable Securities** (the “**Second Registration Statement**”); provided that the Second Registration Statement shall register for resale at least the number of shares of Common Stock equal to 100% of the sum of the maximum number of shares of Common Stock issuable upon conversion of the Second Notes or exercise of the Second Warrants at the initial conversion price thereof (the “**Second Required Registration Amount**”); provided that should any event following the date hereof result in the maximum number of shares of Common Stock issuable upon conversion of the Second Notes or exercise of the Second Warrants being increased because of the application of any provisions thereof, the Company shall promptly file an amendment to the Second Registration Statement providing for registration of such additional shares. The Second Registration Statement filed hereunder shall be on Form S-1 in connection with the Second Closing. Subject to the terms of this Agreement, the Company shall cause each **Registration Statement** required to be filed under this Agreement to be declared effective under the **Securities Act** as promptly as possible after the filing thereof, but in any event no later than the applicable **Effectiveness Deadline**, and shall keep such Registration Statements continuously effective under the **Securities Act** until the earlier of: (i) the date that all **Second Closing Registrable Securities** covered by such **Registration Statement** no longer constitute **Second Closing Registrable Securities**, or (ii) the two year anniversary of January 18, 2023 (the “**Second Closing Effectiveness**”). The Company shall telephonically request effectiveness of a **Registration Statement** as of 5:00 p.m. Eastern Time on a **Trading Day**. The Company shall promptly notify the Holders via facsimile or by e-mail of the effectiveness of a **Registration Statement** on the same **Trading Day** that the Company telephonically confirms effectiveness with the **Commission**, which shall be the date requested for effectiveness of such **Registration Statement**. The Company shall, by 9:30 a.m. Eastern Time on the **Trading Day** after the effective date of such **Registration Statement**, file a final **Prospectus** with the **Commission** as required by **Rule 424**.

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(iii) The Company shall prepare and, as soon as practicable, but in no event later than the applicable **Filing Deadline**, file with the **Commission** a **Registration Statement** covering the resale of all of the **Third Closing Registrable Securities** (the “**Third Registration Statement**”); provided that the Third Registration Statement shall register for resale at least the number of shares of Common Stock equal to 100% of the sum of the maximum number of shares of Common Stock issuable upon conversion of the Third Notes or exercise of the Third Warrants at the initial conversion price thereof (the “**Third Required Registration Amount**”); provided that should any event following the date hereof result in the maximum number of shares of Common Stock issuable upon conversion of the Third Notes or exercise of the Third Warrants being increased because of the application of any provisions thereof, the Company shall promptly file an amendment to the Third Registration Statement providing for registration of such additional shares. The Third Registration Statement filed hereunder shall be on Form S-1 in connection with the Third Closing. Subject to the terms of this Agreement, the Company shall cause each **Registration Statement** required to be filed under this Agreement to be declared effective under the **Securities Act** as promptly as possible after the filing thereof, but in any event no later than the applicable **Effectiveness Deadline**, and shall keep such Registration Statements continuously effective under the **Securities Act** until the earlier of: (i) the date that all **Third Closing Registrable Securities** covered by such **Registration Statement** no longer constitute **Third Closing Registrable Securities**, or (ii) the two year anniversary of May 15, 2023 (the “**Third Closing Effectiveness Period**” and, together with the First Closing Effective Period and Second Closing Effective Period, the “**Effectiveness Period**”). The Company shall telephonically request effectiveness of a **Registration Statement** as of 5:00 p.m. Eastern Time on a **Trading Day**. The Company shall promptly notify the Holders via facsimile or by e-mail of the effectiveness of a **Registration Statement** on the same **Trading Day** that the Company telephonically confirms effectiveness with the **Commission**, which shall be the date requested for effectiveness of such **Registration Statement**. The Company shall, by 9:30 a.m. Eastern Time on the **Trading Day** after the effective date of such **Registration Statement**, file a final **Prospectus** with the **Commission** as required by **Rule 424**.

(iv) The Company shall prepare and, as soon as practicable, but in no event later than the applicable **Filing Deadline**, file with the **Commission** a **Registration Statement** covering the resale of all of the **Fourth Closing Registrable Securities** (the “**Fourth Registration Statement**”); provided that the Fourth Registration Statement shall register for resale at least the number of shares of Common Stock equal to 100% of the sum of the maximum number of shares of Common Stock issuable upon conversion of the Fourth Notes or exercise of the Fourth Warrants at the initial conversion price thereof (the “**Fourth Required Registration Amount**”); provided that should any event following the date hereof result in the maximum number of shares of Common Stock issuable upon conversion of the Fourth Notes or exercise of the Fourth Warrants being increased because of the application of any provisions thereof, the Company shall promptly file an amendment to the Fourth Registration Statement providing for registration of such additional shares. The Fourth Registration Statement filed hereunder shall be on Form S-1 in connection with the Fourth Closing. Subject to the terms of this Agreement, the Company shall cause each **Registration Statement** required to be filed under this Agreement to be declared effective under the **Securities Act** as promptly as possible after the filing thereof, but in any event no later than the applicable **Effectiveness Deadline**, and shall keep such Registration Statements continuously effective under the **Securities Act** until the earlier of: (i) the date that all **Fourth Closing Registrable Securities** covered by such **Registration Statement** no longer constitute **Fourth Closing Registrable Securities**, or (ii) the two year anniversary of the date of this Agreement (the “**Fourth Closing Effectiveness Period**” and, together with the First Closing Effective Period, Second Closing Effective Period, and the Third Closing Effective Period, the “**Effectiveness Period**”). The Company shall telephonically request effectiveness of a **Registration Statement** as of 5:00 p.m. Eastern Time on a **Trading Day**. The Company shall promptly notify the Holders via facsimile or by e-mail of the effectiveness of a **Registration Statement** on the same **Trading Day** that the Company telephonically confirms effectiveness with the **Commission**, which shall be the date requested for effectiveness of such **Registration Statement**. The Company shall, by 9:30 a.m. Eastern Time on the **Trading Day** after the effective date of such **Registration Statement**, file a final **Prospectus** with the **Commission** as required by **Rule 424**.

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(v) As used herein, “**Uplist S-1**” means the registration statement on Form S-1 pursuant to which the public offering of Common Stock is made that results in the Uplist Transaction. Notwithstanding anything contained herein to the contrary, the Company shall include in the Uplist S-1 all of the Registrable Securities that have not yet been registered by a Registration Statement as of the time the Uplist S-1 is declared effective under the Securities Act. Further, for the avoidance of doubt, the Uplist S-1 shall be considered a Registration Statement for purposes of this Agreement.

(b) Notwithstanding the registration obligations set forth in **Section 2(a)**, if the **Commission** informs the Company that all of the **Registrable Securities** cannot, as a result of the application of **Rule 415**, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its reasonable best efforts to file amendments to the applicable **Registration Statement** as required by the **Commission**, covering the maximum number of **Registrable Securities** permitted to be registered by the **Commission**, on such form available to register for resale the **Registrable Securities** as a secondary offering, subject to the provisions of this Section 2; with respect to filing on such appropriate form; provided, however, that prior to filing such amendment, the Company shall be obligated to use diligent efforts to advocate with the **Commission** for the registration of all of the **Registrable Securities** in accordance with the **SEC Guidance**, including without limitation, Compliance and Disclosure Interpretation 612.09 of the **Commission**.

(c) Notwithstanding any other provision of this Agreement, if the **Commission** or any **SEC Guidance** sets forth a limitation on the number of **Registrable Securities** permitted to be registered on a particular **Registration Statement** as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the **Commission** for the registration of all or a greater portion of **Registrable Securities**), unless otherwise: (i) directed in writing by a **Holder** as to its **Registrable Securities**, or (ii) directed by the **Commission** as to the limitations or restrictions that it would require, the number of **Registrable Securities** to be registered on such **Registration Statement** will be reduced as follows:

- a. First, the Company shall reduce or eliminate any securities to be included by any Person other than a Holder;
- b. Second, the Company shall reduce or eliminate Registrable Securities contemplated by clause (d) of the definition of Registrable Securities (applied, in the case that only some such Registrable Securities may be registered, to the Holders on a pro rata basis based on the total number of such unregistered Registrable Securities held by such Holders);
- c. Third, the Company shall reduce or eliminate Registrable Securities represented by Warrant Shares (applied, in the case that some Warrant Shares may be registered, to the Holders on a pro-rata basis based on the total number of unregistered Warrant Shares held by such Holders)
- d. Fourth, the Company shall reduce Registrable Securities represented by Inducement Shares (applied, in the case that some Inducement Shares may be registered, to the Holders on a pro-rata basis based on the total number of unregistered Inducement Shares held by such Holders); and
- e. Fifth, the Company shall reduce Registrable Securities represented by Conversion Shares (applied, in the case that some Conversion Shares may be registered, to the Holders on a pro-rata basis based on the total number of unregistered Conversion Shares held by such Holders); and

In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends a Registration Statement in accordance with the foregoing, or determines to file an additional Registration Statement, the Company will use its reasonable best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more Registration Statements on such other form available to register for resale those Registrable Securities that were not registered for resale on the Registration Statement, as amended, as a result of any cutback of Registrable Securities of the Holders or any Registrable Securities not included in the Registration Statement. In any additional Registration Statement filed because of a cutback in the number of Registrable Securities included in the Registration Statement, all holders of shares of Common Stock included in such additional Registration Statement shall be subject to any additional cutbacks that may be required by the Commission on a pro rata basis.

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**Section 3. Company Obligations.** In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than five (5) Trading Days prior to the filing of each **Registration Statement** and not less than two (2) Trading Days prior to the filing of any related **Prospectus** or any amendment or supplement thereto and shall use its commercially reasonable efforts to include any document that would be incorporated or deemed to be incorporated therein by reference, the Company shall: (i) furnish to each **Holder** copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of such Holders, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each **Holder**, to conduct a reasonable investigation within the meaning of the **Securities Act**. Notwithstanding the above, the Company shall not be obligated to provide the Holders advance copies of any universal shelf registration statement registering securities in addition to those required hereunder, or any **Prospectus** prepared thereto.

(b) (i) Prepare and file with the **Commission** such amendments, including post-effective amendments, to a **Registration Statement** and the **Prospectus** used in connection therewith as may be necessary to keep a **Registration Statement** continuously effective as to the applicable **Registrable Securities** for the applicable **Effectiveness Period** and prepare and file with the **Commission** such additional Registration Statements in order to register for resale under the **Securities Act** all of the **Registrable Securities**, (ii) cause the related **Prospectus** to be amended or supplemented by any required **Prospectus** supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to **Rule 424**, (iii) respond as promptly as reasonably possible to any comments received from the **Commission** with respect to a **Registration Statement** or any amendment thereto, and (iv) comply in all material respects with the applicable provisions of the **Securities Act** and the **Exchange Act** with respect to the disposition of all **Registrable Securities** covered by a **Registration Statement** during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such **Registration Statement** as so amended or in such **Prospectus** as so supplemented.

(c) If during the applicable **Effectiveness Period**, the number of **Registrable Securities** at any time exceeds 105% of the number of shares of Common Stock then registered in a **Registration Statement**, then the Company shall file as soon as reasonably practicable, but in any case, prior to the applicable **Filing Deadline**, an additional **Registration Statement** covering the resale by the Holders of not less than the number of such **Registrable Securities**.

(d) Notify the Holders of **Registrable Securities** to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the **Prospectus** until the requisite changes have been made) as promptly as reasonably possible: (i) (A) when a **Prospectus** or any **Prospectus** supplement or post-effective amendment to a **Registration Statement** has been filed; (B) when the **Commission** notifies the Company whether there will be a "review" of such **Registration Statement**; and (C) with respect to a **Registration Statement** or any post-effective amendment, when the same has become effective, (ii) of any request by the **Commission** or any other federal or state governmental authority for amendments or supplements to a **Registration Statement** or **Prospectus** or for additional information, in each case, after the such **Registration Statement** has been declared effective, (iii) of the issuance by the **Commission** or any other federal or state governmental authority of any stop order suspending the effectiveness of a **Registration Statement** covering any or all of the **Registrable Securities** or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the **Registrable Securities** for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a **Registration Statement** ineligible for inclusion therein or any statement made in a **Registration Statement** or **Prospectus** or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a **Registration Statement**, **Prospectus** or other documents so that, in the case of a **Registration Statement** or the **Prospectus**, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a **Registration Statement** or **Prospectus**, provided, however, in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries.

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(e) Use its reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a **Registration Statement**, or (ii) any suspension of the qualification (or exemption from qualification) of any of the **Registrable Securities** for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each **Holder**, without charge, at least one conformed copy of each such **Registration Statement** and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the **Commission**; provided, that any such item which is available on the EDGAR system (or successor thereto) need not be furnished. Subject to the terms of this Agreement, the Company hereby consents to the use of such **Prospectus** and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the **Registrable Securities** covered by such **Prospectus** and any amendment or supplement thereto, except after the Company has given notice pursuant to **Section 3(d)**.

(g) The Company shall cooperate with any broker-dealer through which a **Holder** proposes to resell its **Registrable Securities** in effecting a filing with the FINRA Corporate Financing Department pursuant to FINRA Rule 5110, as requested by any such **Holder**.

(h) Prior to any resale of **Registrable Securities** by a **Holder**, use its reasonable best efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such **Registrable Securities** for the resale by the **Holder** under the securities or Blue Sky laws of such jurisdictions within the United States as any **Holder** reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the applicable **Effectiveness Period** and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the **Registrable Securities** covered by each **Registration Statement**; provided, that, the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(i) If requested by a **Holder**, cooperate with such **Holder** to facilitate the timely preparation and delivery of certificates representing **Registrable Securities** to be delivered to a transferee pursuant to a **Registration Statement**, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such **Registrable Securities** to be in such denominations and registered in such names as any such **Holder** may request.

(j) Upon the occurrence of any event contemplated by clause (v) or (vi) of **Section 3(d)**, as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a **Registration Statement** or a supplement to the related **Prospectus** or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a **Registration Statement** nor such **Prospectus** will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of **Section 3(d)** above to suspend the use of any **Prospectus** until the requisite changes to such **Prospectus** have been made, then the Holders shall suspend use of such **Prospectus**. The Company will use its reasonable best efforts to ensure that the use of the **Prospectus** may be resumed as promptly as is practicable.

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(k) Comply with all applicable rules and regulations of the **Commission**.

(l) The Company may require each selling **Holder** to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such **Holder** and, if required by the **Commission**, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the **Registrable Securities** solely because any **Holder** fails to furnish such information within three Trading Days of the Company's request, any liquidated damages that are accruing at such time shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended until such information is delivered to the Company.

#### **Section 4. Obligations of the Holders.**

(a) Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as **Appendix A** (a "**Selling Stockholder Questionnaire**") on a date that is not less than ten (10) days prior to the applicable **Filing Deadline** or by the end of the fourth (4<sup>th</sup>) **Trading Day** following the date on which such **Holder** receives draft materials in accordance with **Section 2(a)**. Each Holder shall furnish in writing to the Company such additional information regarding itself, the **Registrable Securities** held by it and the intended method of disposition of the **Registrable Securities** held by it, and shall execute such documents in connection with such registration, as shall be reasonably required to effect the registration of such **Registrable Securities**. A **Holder** shall provide such information to the Company at least two (2) Business Days prior to the first anticipated filing date of such **Registration Statement** if such **Holder** elects to have any of the **Registrable Securities** included in the **Registration Statement**. The Company shall not be required to include the **Registrable Securities** of a **Holder** in a **Registration Statement**, and no Event shall be deemed to occur and or continue solely as a result of the failure to include the **Registrable Securities** of such **Holder** in the **Registration Statement**, if such **Holder** fails to furnish to the Company a fully completed **Selling Stockholder Questionnaire** at least two (2) Business Days prior to the applicable **Filing Deadline**.

(b) Each Holder agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of a **Registration Statement** hereunder, unless such **Holder** has notified the Company in writing of its election to exclude all of its **Registrable Securities** from such **Registration Statement**.

(c) Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the **Securities Act** as applicable to it (unless an exemption therefrom is available) in connection with sales of **Registrable Securities** pursuant to a **Registration Statement**.

(d) Each Holder agrees that, upon receipt of any notice from the Company of either: (i) the commencement of an Allowed Delay, or (ii) the happening of an event pursuant to **Section 3(d)(iii)** - (vi) hereof, such **Holder** will immediately discontinue disposition of **Registrable Securities** pursuant to the **Registration Statement** covering such **Registrable Securities**, until it is advised in writing (the "**Advice**") by the Company that the use of the applicable **Prospectus** (as it may have been supplemented or amended) may be resumed. The Company will use its reasonable best efforts to ensure that the use of the **Prospectus** may be resumed as promptly as is practicable.

**Section 5. Registration Expenses.** All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any **Registrable Securities** are sold pursuant to a **Registration Statement**. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the **Commission**, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, and (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the **Registrable Securities**), (ii) printing expenses (including, without limitation, expenses of printing certificates for **Registrable Securities**), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) **Securities Act** liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the **Registrable Securities** on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any **Holder** or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

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## Section 6. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each **Holder**, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell **Registrable Securities** as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees of the Company, each Person who controls any such **Holder** (within the meaning of Section 15 of the **Securities Act** or Section 20 of the **Exchange Act**) and the officers, directors, members, stockholders, partners, agents, investment advisors and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "**Losses**"), as incurred, arising out of or relating to: (i) any untrue or alleged untrue statement of a material fact contained in a **Registration Statement**, any **Prospectus** or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any **Prospectus** or supplement thereto, in light of the circumstances under which they were made) not misleading, or (ii) any violation or alleged violation by the Company of the **Securities Act**, the **Exchange Act** or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (A) such untrue statements or omissions are based solely upon information regarding such **Holder** furnished in writing to the Company by such **Holder** expressly for use therein (it being understood that such information shall only consist of the name of the **Holder**, the number of offered shares (excluding percentages), the address and other information with respect to the **Holder** and the information included on **Appendix A** hereto, each only to the extent which such information appears in an effective **Registration Statement** or any **Prospectus**), or (B) in the case of an occurrence of an event of the type specified in **Section 3(d)(iii)-(vi)**, the use by such **Holder** of an outdated, defective or otherwise unavailable **Prospectus** after the Company has notified such **Holder** in writing that the **Prospectus** is outdated, defective or otherwise unavailable for use by such **Holder** and prior to the receipt by such **Holder** of the **Advice** contemplated in **Section 4(d)**. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any **Registrable Securities** by any of the Holders in accordance with **Section 7(e)**.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the **Securities Act** and Section 20 of the **Exchange Act**), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all **Losses**, as incurred, to the extent arising out of or based solely upon: (i) such **Holder's** failure to comply with any applicable prospectus delivery requirements of the **Securities Act** through no fault of the Company, or (ii) any untrue or alleged untrue statement of a material fact contained in any **Registration Statement**, any **Prospectus**, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any **Prospectus** or supplement thereto, in light of the circumstances under which they were made) not misleading to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such **Holder** to the Company expressly for inclusion in such **Registration Statement** or such **Prospectus** (it being understood that such information shall only consist of the name of the **Holder**, the number of offered shares (excluding percentages), the address and other information with respect to the **Holder** and the information included on **Appendix A** hereto, each only to the extent which such information appears in an effective **Registration Statement** or any **Prospectus**), such **Prospectus** or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in **Section 3(d)(iii)-(vi)**, to the extent, but only to the extent, related to the use by such **Holder** of an outdated, defective or otherwise unavailable **Prospectus** after the Company has notified such **Holder** in writing that the **Prospectus** is outdated, defective or otherwise unavailable for use by such **Holder** and prior to the receipt by such **Holder** of the **Advice** contemplated in **Section 4(d)**. In no event shall the liability of any selling **Holder** under this **Section 6(b)** be greater in amount than the dollar amount of the net proceeds received by such **Holder** upon the sale of the **Registrable Securities** giving rise to such indemnification obligation, except in the case of fraud or willful misconduct by such **Holder**.

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(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such **Indemnified Party** shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the **Indemnifying Party** shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the **Indemnified Party** and the payment of all reasonable fees and expenses incurred in connection with defense thereof; provided, that, the failure of any **Indemnified Party** to give such notice shall not relieve the **Indemnifying Party** of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the **Indemnifying Party**. An **Indemnified Party** shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such **Indemnified Party** or Parties unless: (1) the **Indemnifying Party** has agreed in writing to pay such fees and expenses, (2) the **Indemnifying Party** shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such **Indemnified Party** in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such **Indemnified Party** and the **Indemnifying Party**, and counsel to the **Indemnified Party** shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such **Indemnified Party** and the **Indemnifying Party** (in which case, if such **Indemnified Party** notifies the **Indemnifying Party** in writing that it elects to employ separate counsel at the expense of the **Indemnifying Party**, the **Indemnifying Party** shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the **Indemnifying Party**). The **Indemnifying Party** shall not be liable for any settlement of any such Proceeding effected without its written consent. No **Indemnifying Party** shall, without the prior written consent of the **Indemnified Party**, effect any settlement of any pending Proceeding in respect of which any **Indemnified Party** is a party, unless such settlement includes an unconditional release of such **Indemnified Party** from all liability on claims that are the subject matter of such Proceeding. Subject to the terms of this Agreement, all reasonable fees and expenses of the **Indemnified Party** (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the **Indemnified Party**, as incurred, within thirty (30) calendar days of written notice thereof to the **Indemnifying Party**; provided, that, the **Indemnified Party** shall promptly reimburse the **Indemnifying Party** for that portion of such fees and expenses applicable to such actions for which such **Indemnified Party** is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 6(a) or 6(b) is unavailable to an **Indemnified Party** or insufficient to hold an **Indemnified Party** harmless for any **Losses**, then each **Indemnifying Party** shall contribute to the amount paid or payable by such **Indemnified Party**, in such proportion as is appropriate to reflect the relative fault of the **Indemnifying Party** and **Indemnified Party** in connection with the actions, statements or omissions that resulted in such **Losses** as well as any other relevant equitable considerations. The relative fault of such **Indemnifying Party** and **Indemnified Party** shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such **Indemnifying Party** or **Indemnified Party**, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any **Losses** shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6(d), no **Holder** shall be required to contribute pursuant to this Section 6(d), in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such **Holder** from the sale of the **Registrable Securities** subject to the Proceeding exceeds the amount of any damages that such **Holder** has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

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(c) The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

#### **Section 7. Miscellaneous.**

(a) Remedies. In the event of a breach by the Company or by a **Holder** of any of their respective obligations under this Agreement, each **Holder** or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each **Holder** agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Filing Other Registration Statements. The Company shall not, other than as provided in the Purchase Agreement, file any other registration statements (specifically excluding a registration statement on Form S-8) until all **Registrable Securities** are registered pursuant to a **Registration Statement** that is declared effective by the **Commission**, provided that this **Section 7(b)** shall not prohibit the Company from filing amendments to registration statements filed prior to the date of this Agreement and shall not prohibit the Company from filing a registration statement for a primary offering by the Company, provided that the Company makes no offering of securities pursuant to such registration statement prior to the effective date of the **Registration Statement** required hereunder that includes all of the **Registrable Securities**.

(c) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of 51% or more of the then outstanding **Registrable Securities** (for purposes of clarification, this includes any **Registrable Securities** issuable upon exercise or conversion of any Security). If a **Registration Statement** does not register all of the **Registrable Securities** pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of **Registrable Securities** to be registered for each **Holder** shall be reduced pro rata among all Holders and each **Holder** shall have the right to designate which of its **Registrable Securities** shall be omitted from such **Registration Statement**. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a **Holder** or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such **Holder** or Holders of all of the **Registrable Securities** to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this **Section 7(c)**. No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(d) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(e) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each **Holder**. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding **Registrable Securities**. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

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(f) [Intentionally Omitted]

(g) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

(h) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(i) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(k) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(o) Independent Nature of Holders' Obligations and Rights. The obligations of each **Holder** hereunder are several and not joint with the obligations of any other **Holder** hereunder, and no **Holder** shall be responsible in any way for the performance of the obligations of any other **Holder** hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any **Holder** pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other **Holder** to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any **Holder**, and was done solely for the convenience of the Company and not because it was required or requested to do so by any **Holder**. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a **Holder**, solely, and not between the Company and the Holders collectively and not between and among Holders.

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*(Signature Pages Follow)*

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page of Holders Follows]*

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[SIGNATURE PAGE OF HOLDERS]

Name of **Holder**:

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*Signature of Authorized Signatory of **Holder**:*

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Name of Authorized Signatory:

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Title of Authorized Signatory:

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*[Signature Pages Continue]*

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[SIGNATURE PAGE OF HOLDERS]

Name of **Holder**:

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*Signature of Authorized Signatory of **Holder**:*

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Name of Authorized Signatory:

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Title of Authorized Signatory:

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NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount:  
Purchase Price:

Issue Date: \_\_\_\_\_

**UNSECURED CONVERTIBLE PROMISSORY NOTE**

FOR VALUE RECEIVED, ARCH THERAPEUTICS, INC., a Nevada corporation (hereinafter called the "Borrower") (Trading Symbol: ARTH), hereby promises to pay to the order of \_\_\_\_\_, or registered assigns (the "Holder") the sum of \_\_\_\_\_ together with any interest as set forth herein, on March 15, 2024 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof at the rate of ten percent (10%) (the "Interest Rate") per annum from the Issue Date set forth above (the "Issue Date") until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise, the entire amount of which interest shall be guaranteed from the Issue Date through the Maturity Date. This Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein with the written consent of the Holder which may be withheld for any reason or for no reason. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum amount allowed by law from the due date thereof until the same is paid (the "Default Interest"). Interest shall commence accruing on the Issue Date and shall be computed on the basis of a 360-day year and the actual number of days elapsed. All payments due hereunder (to the extent not converted into common stock, \$0.001 par value per share (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, the extension of the due date thereof shall not be taken into account for purposes of determining the amount of interest due on such date. As used in this Note, the term "business day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities Purchase Agreement dated as of July 6, 2022, as amended on January 18, 2023, May 15, 2023 and March 12, 2024, pursuant to which this Note was originally issued (the "Purchase Agreement").

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall also apply to this Note:

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## ARTICLE I. CONVERSION RIGHTS

1.1 Conversion Right. The Holder shall have the right from time to time, and at any time on or following the Issue Date and ending on the later of (i) the Maturity Date and (ii) the date of payment of the Default Amount (as defined in Article III) pursuant to Section 1.6(a) or Article III, each in respect of the remaining outstanding principal amount of this Note to convert all or any part of the outstanding and unpaid principal amount of this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the Borrower into which such Common Stock shall hereafter be changed or reclassified at the Conversion Price (as defined below) determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversion may be waived by the Holder (up to a maximum of 9.99%) upon, at the election of the Holder, not less than 61 days' prior notice to the Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in the form attached hereto as Exhibit A (the "Notice of Conversion"), delivered to the Borrower by the Holder in accordance with Section 1.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to the Borrower before 11:59 p.m., New York, New York time on such conversion date (the "Conversion Date"). The term "Conversion Amount" means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Holder's option, accrued and unpaid interest, if any, on such principal amount at the interest rates provided in this Note to the Conversion Date, provided however, that the Borrower shall have the right to pay any or all interest in cash plus (3) at the Holder's option, Default Interest, if any, on the amounts referred to in the immediately preceding clauses (1) and/or (2) plus (4) at the Holder's option, any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof.

1.2 Conversion Price. Subject to the adjustments described herein, the conversion price (the "Conversion Price") shall equal \$9.14. If the shares of the Borrower's Common Stock have not been delivered within three (3) business days to the Borrower, the Notice of Conversion may be rescinded. At any time after the Closing Date, if in the case that the Borrower's Common Stock is not deliverable by DWAC (including if the Borrower's transfer agent has a policy prohibiting or limiting delivery of shares of the Borrower's Common Stock specified in a Notice of Conversion), the Borrower shall pay to the Holder \$1,000 per each Trading Day following the Closing Date that any such limitation or prohibition exists. If in the case that the Borrower's Common Stock is "chilled" for deposit into the DTC system and only eligible for clearing deposit, an additional \$1,000 per each Trading Day shall be payable while the "chill" is in effect. Additionally, if the Borrower ceases to be a reporting company pursuant to the 1934 Act or if the Note cannot be converted into free trading shares after one hundred eighty-one (181) days from the Issue Date, an additional \$1,000 per Trading Day shall be payable. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the OTC Pink, OTCQB or on the principal securities exchange or other securities market on which the Common Stock is then being traded. The Borrower shall be responsible for the fees of its transfer agent and all DTC fees associated with any such issuance. Holder shall be entitled to deduct up to \$500.00 from the conversion amount in each Notice of Conversion to cover Holder's deposit fees associated with each Notice of Conversion. In the event of a dispute as to the number of shares of Common Stock issuable to the Holder in connection with a conversion of this Note, the Borrower shall issue to the Holder the number of shares of Common Stock not in dispute and resolve such dispute in accordance with Section 4.13.

1.3 Authorized Shares. The Borrower covenants that during the period the conversion right exists, the Borrower will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note issued pursuant to the Purchase Agreement in an amount of at least the Reserved Amount (as defined below). The Borrower is required at all times to have authorized and reserved one and a half (1.5) times the number of shares that is actually issuable upon full conversion of the Note (based on the Conversion Price of the Notes in effect from time to time) (the "Reserved Amount") such that the aggregate amount so reserved for all Notes combined is one and a half (1.5) times the amount needed for all such Notes. The Reserved Amount shall be increased from time to time in accordance with the Borrower's obligations pursuant to Section 3(d) of the Purchase Agreement. The Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if the Borrower shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, the Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Notes, in an amount of at least the Reserved Amount. The Borrower (i) acknowledges that it has irrevocably instructed its transfer agent to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for shares of Common Stock in accordance with the terms and conditions of this Note.

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If, at any time the Borrower does not maintain or replenish the Reserved Amount within three (3) business days of the written request of the Holder, the principal amount of the Note shall increase by thirty percent (30%) (under Holder's and Borrower's expectation that any principal amount increase will tack back to the Issue Date).

#### 1.4 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 1.1, this Note may be converted by the Holder in whole or in part at any time from time to time on or after the Issue Date, by (A) submitting to the Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 11:59 p.m., New York, New York time) and (B) subject to Section 1.4(b), surrendering this Note at the principal office of the Borrower.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and the Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of the Borrower shall, *prima facie*, be controlling and determinative in the absence of manifest error. Notwithstanding the foregoing, if any portion of this Note is converted as aforesaid, the Holder may not transfer this Note unless the Holder first physically surrenders this Note to the Borrower, whereupon the Borrower will forthwith issue and deliver upon the order of the Holder a new Note of like tenor, registered as the Holder (upon payment by the Holder of any applicable transfer taxes) may request, representing in the aggregate the remaining unpaid principal amount of this Note. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. The Borrower shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and the Borrower shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to the Borrower the amount of any such tax or shall have established to the satisfaction of the Borrower that such tax has been paid.

(d) Delivery of Common Stock Upon Conversion. Upon receipt by the Borrower from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 1.4, the Borrower shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within two (2) business days after such receipt (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the Purchase Agreement.

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(e) Obligation of Borrower to Deliver Common Stock. Upon receipt by the Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless the Borrower defaults on its obligations under this Article I, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, the Borrower's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of the Borrower to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to the Borrower, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by the Borrower before 11:59 p.m., New York, New York time, on such date.

(f) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Borrower is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder and its compliance with the provisions contained in Section 1.1 and in this Section 1.4, the Borrower shall use its commercially reasonable best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit Withdrawal At Custodian ("DWAC") system.

(g) DTC Eligibility & Market Loss. If the Borrower fails to maintain its status as "DTC Eligible" for any reason, or, if the Conversion Price is less than \$0.01 at any time after the Issue Date, the principal amount of the Note shall increase by twenty percent (20%) (under Holder's and Borrower's expectation that any principal amount increase will tack back to the Issue Date).

(h) Failure to Deliver Common Stock Prior to Delivery Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline (other than a failure due to the circumstances described in Section 1.3 above, which failure shall be governed by such Section) the Borrower shall pay to the Holder \$5,000 per day in cash, for each day beyond the Deadline that the Borrower fails to deliver such Common Stock until the Borrower issues and delivers a certificate to the Holder or credit the Holder's balance account with OTC for the number of shares of Common Stock to which the Holder is entitled upon such Holder's conversion of any Conversion Amount (under Holder's and Borrower's expectation that any damages will tack back to the Issue Date). Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to the Borrower by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. The Borrower agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this Section 1.4(h) are justified.

(i) Rescindment of a Notice of Conversion. If (i) the Borrower fails to respond to Holder within one (1) business day from the Conversion Date confirming the details of Notice of Conversion, (ii) the Borrower fails to provide any of the shares of the Borrower's Common Stock requested in the Notice of Conversion within two (2) business days from the date of receipt of the Note of Conversion, (iii) if the Holder provides standard and customary documentation, the Holder is unable to procure a legal opinion required to have the shares of the Borrower's Common Stock issued unrestricted and/or deposited to sell for any reason related to the Borrower's standing, (iv) the Holder is unable to deposit the shares of the Borrower's Common Stock requested in the Notice of Conversion for any reason related to the Borrower's standing, other than restrictions under Rule 144, (v) at any time after a missed Deadline, at the Holder's sole discretion, or (vi) if OTC Markets changes the Borrower's designation to 'Limited Information' (Yield), 'No Information' (Stop Sign), 'Caveat Emptor' (Skull & Crossbones), 'OTC', 'Other OTC' or 'Grey Market' (Exclamation Mark Sign) or other trading restriction on the day of or any day after the Conversion Date, the Holder maintains the option and sole discretion to rescind the Notice of Conversion ("Rescindment") with a "Notice of Rescindment." For the avoidance of doubt, no delivery of a Notice of Rescindment shall be deemed to be a waiver of any failure to deliver shares under a Notice of Conversion, has such Notice of Rescindment not otherwise been delivered.

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1.5 Concerning the Shares. The shares of Common Stock issuable upon conversion of this Note may not be sold or transferred unless (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) the Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (iii) such shares are sold or transferred pursuant to Rule 144 under the Act (or a successor rule) (“Rule 144”) or (iv) such shares are transferred to an “affiliate” (as defined in Rule 144) of the Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 1.5 and who is an Accredited Investor (as defined in the Purchase Agreement). Except as otherwise provided in the Purchase Agreement (and subject to the removal provisions set forth below), until such time as the shares of Common Stock issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for shares of Common Stock issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

**“NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.”**

The legend set forth above shall be removed and the Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if (i) the Borrower or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be reasonably accepted by the Borrower so that the sale or transfer is effected or (ii) in the case of the Common Stock issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold and in each of (i) and (ii) the Borrower shall have a reasonable expectation that the Holder intends to use its commercially reasonable efforts to promptly sell or transfer such Common Stock. In the event that the Borrower does not accept the opinion of counsel provided by the Buyer with respect to the transfer of Securities pursuant to an exemption from registration (provided that such opinion is in a form standard and customary for transactions of such type), such as Rule 144 or Regulation S, at the Deadline, it will be considered an Event of Default pursuant to Section 3.2 of the Note.

1.6 Effect of Certain Events.

(a) Effect of Merger, Consolidation, Etc. At the option of the Holder, the sale, conveyance or disposition of all or substantially all of the assets of the Borrower, the effectuation by the Borrower of a transaction or series of related transactions in which more than 50% of the voting power of the Borrower is disposed of, or the consolidation, merger or other business combination of the Borrower with or into any other Person (as defined below) or Persons when the Borrower is not the survivor then: (i) the Note shall be prepaid in full, including any prepayment penalty then due or (ii) the Note shall be treated pursuant to Section 1.6(b) hereof. “Person” shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

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(b) Adjustment Due to Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Notes, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the Borrower shall be changed into the same or a different number of shares of another class or classes of stock or securities of the Borrower or another entity, or in case of any sale or conveyance of all or substantially all of the assets of the Borrower other than in connection with a plan of complete liquidation of the Borrower, then the Holder of this Note shall thereafter have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Borrower shall not affect any transaction described in this Section 1.6(b) unless (a) it first gives fifteen (15) days' prior written notice of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (b) the resulting successor or acquiring entity (if not the Borrower) assumes by written instrument the obligations of this Section 1.6(b). The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If the Borrower shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to the Borrower's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution, to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

(d) Reserved.

(e) Purchase Rights. If, at any time when any Notes are issued and outstanding, the Borrower issues any convertible securities or rights to purchase stock, warrants, securities or other property (the "Purchase Rights") pro rata to the record holders of any class of Common Stock, then the Holder of this Note will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on conversion contained herein) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(f) Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price as a result of the events described in this Section 1.6, the Borrower, at its expense, shall promptly compute such adjustment or readjustment and prepare and furnish to the Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Borrower shall, upon the written request at any time of the Holder, furnish to such Holder a like certificate setting forth (i) such adjustment or readjustment, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of the Note.

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1.7 Reserved.

1.8 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their issuance would exceed such Holder's allocated portion of the Reserved Amount or Maximum Share Amount) shall be deemed converted into shares of Common Stock and (ii) the Holder's rights as a Holder of such converted portion of this Note shall cease and terminate, excepting only the right to receive certificates for such shares of Common Stock and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Borrower to comply with the terms of this Note. Notwithstanding the foregoing, if a Holder has not received certificates for all shares of Common Stock prior to the tenth (10th) business day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Stock by so notifying the Borrower) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and the Borrower shall, as soon as practicable, return such unconverted Note to the Holder or, if the Note has not been surrendered, adjust its records to reflect that such portion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies (including, without limitation, (i) the right to receive Conversion Default Payments pursuant to Section 1.3 to the extent required thereby for such Conversion Default and any subsequent Conversion Default and (ii) the right to have the Conversion Price with respect to subsequent conversions determined in accordance with Section 1.3) for the Borrower's failure to convert this Note.

1.9 Prepayment. Subject to the terms of this Note, with the prior written approval of the Lead Investor which shall not be unreasonably withheld or delayed and provided that an Event of Default has not occurred under this Note, the Borrower may prepay the amounts outstanding hereunder pursuant to the following terms and conditions:

(a) At any time during the period beginning on the Issue Date and ending on the date which is sixty (60) calendar days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full by making a payment to the Holder of an amount in cash equal to 110%, multiplied by the sum of: (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note plus (y) Default Interest, if any.

(b) At any time during the period beginning on the date which is sixty one (61) calendar days from the Issue Date and ending on the date which is ninety (90) calendar days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full by making a payment to the Holder of an amount in cash equal to 115%, multiplied by the sum of: (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note plus (y) Default Interest, if any.

(c) At any time during the period beginning on the date which is ninety one (91) calendar days from the Issue Date and ending on the date five (5) business days prior to the Maturity Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full by making a payment to the Holder of an amount in cash equal to 120%, multiplied by the sum of: (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note plus (y) Default Interest, if any.

(d) No consent of the Lead Investor shall be required upon a prepayment made from the proceeds of an Uplist transaction (as defined below). The parties acknowledge that the Note may also be converted by the Holder to Common Stock concurrent with the Uplist transaction.

1.10 Any notice of prepayment hereunder (an "Optional Prepayment Notice") shall be delivered to the Holder of the Note at its registered addresses by physical mail and shall state: (1) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be not less than five (5) Trading Days and not more than ten (10) Trading Days from the date of the Optional Prepayment Notice; provided that no prepayment hereunder shall be made without the prior written consent of the Lead Investor. On the date fixed for prepayment (the "Optional Prepayment Date"), the Borrower shall make payment of the applicable prepayment amount to or upon the order of the Holder as specified by the Holder in writing to the Borrower. If the Borrower delivers an Optional Prepayment Notice and fails to pay the applicable prepayment amount due to the Holder of the Note within two (2) business days following the Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to Section 1.9. Notwithstanding the foregoing, subject to the beneficial ownership limitations set forth in Section 1.1, nothing in this Section 1.10 or in Section 1.9 shall be deemed to limit the ability of the Holder to convert any portion of this Note or submit a Notice of Conversion prior to any Optional Prepayment Date.

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## ARTICLE II. CERTAIN COVENANTS

2.1 Distributions on Capital Stock. So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent (a) pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of its capital stock except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Borrower's disinterested directors.

2.2 Restriction on Stock Repurchases. So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Borrower or any warrants, rights or options to purchase or acquire any such shares.

2.3 Borrowings. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, create, incur, assume guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any person, firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection, or suffer to exist any liability for borrowed money, except (a) borrowings in existence or committed on the date hereof and of which the Borrower has informed Holder in writing prior to the date hereof, (b) indebtedness to trade creditors financial institutions or other lenders incurred in the ordinary course of business or (c) borrowings in respect of indebtedness which is fully subordinated to the obligations of the Company and its Subsidiaries under the Transaction Documents ("Permitted Indebtedness").

2.4 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business. Any consent to the disposition of any assets shall be conditioned on a specified use of the proceeds towards the repayment of this Note.

2.5 Advances and Loans. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, lend money, give credit or make advances to any person, firm, joint venture or corporation, including, without limitation, officers, directors, employees, subsidiaries and affiliates of the Borrower, except loans, credits or advances (a) in existence or committed on the date hereof and which the Borrower has informed Holder in writing prior to the date hereof, (b) made in the ordinary course of business or (c) not in excess of \$100,000.

2.6 Section 3(a)(10) Transaction. So long as this Note is outstanding, the Borrower shall not enter into any transaction or arrangement structured in accordance with, based upon, or related or pursuant to, in whole or in part, Section 3(a)(10) of the Securities Act (a "3(a)(10) Transaction"). In the event that the Borrower does enter into, or makes any issuance of Common Stock related to a 3(a)(10) Transaction while this note is outstanding, a liquidated damages charge of 25% of the outstanding principal balance of this Note, but not less than Fifteen Thousand Dollars \$15,000, will be assessed and will become immediately due and payable to the Holder at its election in the form of cash payment or addition to the balance of this Note.

2.7 Preservation of Existence, etc. The Borrower shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries (other than dormant Subsidiaries that have no or minimum assets) to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

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2.8 Non-circumvention. The Borrower hereby covenants and agrees that the Borrower will not, by amendment of its Certificate or Articles of Incorporation or Bylaws, or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all the provisions of this Note and take all action as may be required to protect the rights of the Holder.

2.9 Events Upon Uplist. While any portion of this Note is outstanding, in the event of the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the “Uplist”), simultaneously upon the closing of the offering conducted in conjunction with the Uplist (such offering, the “Uplist Transaction”), fifty percent (50%) of the then outstanding Principal Amount of this Note shall automatically convert (the “Automatic Conversion”) into shares of Common Stock, with the Conversion Price for purposes of such Automatic Conversion being equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share. Furthermore, the Borrower shall give the Holder at least five business days prior notice identifying the date of closing of the Uplist Transaction. Notwithstanding the foregoing, if the Holder owns more than one Convertible Note, unless it elects otherwise by notice to the Borrower prior the Automatic Conversion, the aggregate amount to be converted in the Automatic Conversion for all such Convertible Notes of the Holder combined will be allocated among such Convertible Notes in inverse order of when they were issued (such that the most recently issued Convertible Note is converted in full before any portion of the next-most-recently issued Convertible Note is converted, and so on until such aggregate amount to be converted has been converted).

In addition, upon the Automatic Conversion, the Holder shall receive a warrant (the “Uplist Conversion Warrant”) to purchase a number of shares of Common Stock equal to 51.0496 (subject to adjustment for stock splits (which, for the avoidance of doubt, in the case of a reverse stock split, would cause such number to decrease by dividing such number by the reverse stock split factor) and similar transactions occurring after the date of the execution of this Amendment) times the dollar amount under this Note that was converted in the Automatic Conversion. The Uplist Conversion Warrant shall have an exercise price equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share and shall otherwise be identical to the warrants (other than pre-funded warrants) issued pursuant to the Securities Purchase Agreement dated as of November 8, 2023 (the “Uplist PIPE”). Upon the issuance of the Uplist Conversion Warrant to the Holder, all interest payable under this Note shall have been deemed paid, and no other interest shall be due or payable hereunder. The Company shall file, no later than sixty (60) days after the closing of the Uplist Transaction, a registration statement on Form S-4, or other appropriate form, registering the offer by the Company to exchange (and the Company shall in turn offer to exchange), on a one-for-one basis, all outstanding Uplist Conversion Warrants and Other Warrants (as defined below) for newly issued warrants identical to the warrants that will be sold in the Uplist Transaction accompanying the shares of Common Stock (or share equivalents) being sold in the Uplist Transaction (except that the exercise price shall remain the same as the exercise price specified above), which warrants are expected to be listed on the Nasdaq Capital Market under the symbol “ARTHW.” As used herein, “Other Warrants” means and includes: (x) all warrants issued pursuant to the Securities Purchase Agreement; (y) all warrants (other than pre-funded warrants) issued in the Uplist PIPE; and (z) the Exchange Warrants (as defined in the Bridge Purchase Agreement (as defined below)). Such registration statement and exchange offer shall allow each holder of a Uplist Conversion Warrant or Other Warrant to participate in such exchange and receive, no later than the earlier of (a) 60th calendar day following the date of the registration statement filing and (b) the fifth trading day following the date on which the Company is notified by the U.S. Securities and Exchange Commission that the registration statement will not be reviewed or is no longer subject to further review and comments, the new warrants in exchange as provided above, and such new warrants shall immediately be tradable on the Nasdaq Capital Market and the underlying shares issuable upon exercise of such warrants shall from and after such time be registered and fully tradable in each case to the same extent as the shares of Common Stock sold in the Uplist Transaction (and required current prospectuses shall be provided). Failure of the Borrower to comply with this provision, including the obligations in any of the previous three sentences, shall constitute an Event of Default. If after the Uplist Conversion Warrant is issued to the Holder the Borrower makes a prepayment of all or any portion of the remaining outstanding amount under this Note prior to the Maturity Date, the prepayment shall not be subject to the prepayment premiums set forth in Section 1.9 herein.

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Upon the Automatic Conversion, a Holder shall receive pre-funded warrants (the “Note Conversion Pre-Funded Warrants”) in lieu of shares of Common Stock otherwise issuable to the Holder to the extent that the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the Automatic Conversion with respect to which the determination of this sentence is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% (or 9.99% if elected in writing by the Holder prior to the date of the execution of this Amendment) of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act, and Regulations 13D-G thereunder, provided, that the limit may be waived by the Holder (up to a maximum of 9.99%) upon, at the election of the Holder, not less than 61 days’ prior notice to the Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The Note Conversion Pre-Funded Warrants shall have a nominal exercise price of \$0.000125 per share (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment), may be exercised on a cashless basis, shall be exercisable immediately upon issuance, shall contain a customary beneficial ownership limitation provision and shall otherwise be identical to the pre-funded warrants issued in the Uplist PIPE.

### ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an “Event of Default”) shall occur:

3.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise.

3.2 Conversion and the Shares. The Borrower (i) fails to issue shares of Common Stock to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, (ii) fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) any certificate for shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, after receipt of a standard and customary opinion from Holder’s or the Borrower’s counsel (iii) directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) any certificate for shares of Common Stock to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, (iv) fails to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note (or makes any written announcement, statement or threat that it does not intend to honor the obligations described in this paragraph) and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for three (3) business days after the Holder shall have delivered a Notice of Conversion, (v) fails to remain current in its obligations to its transfer agent, (vi) causes a conversion of this Note to be delayed, hindered or frustrated due to a balance owed by the Borrower to its transfer agent, (vii) fails to repay Holder, within forty eight (48) hours of a demand from the Holder, any amount of funds advanced by Holder to Borrower’s transfer agent in order to process a conversion, (viii) fails to reserve sufficient amount of shares of common stock to satisfy the Reserved Amount at all times, (ix) causes its transfer agent to fail to accept a customary and standard Rule 144 opinion letter from counsel, covering the Holder’s resale into the public market of the respective conversion shares under this Note, within two (2) business days of the Holder’s submission of a Notice of Conversion to the Borrower (provided that the Holder must cause to be delivered an of counsel at the time that Holder submits the respective Notice of Conversion and the date of the respective Notice of Conversion must be on or after the date which is six (6) months after the date that the Holder funded the Purchase Price under this Note), and/or (x) an exemption under Rule 144 is unavailable for the Holder’s deposit into Holder’s brokerage account and resale into the public market of any of the conversion shares under this Note at any time after the date which is six (6) months after the date that the Holder funded the Purchase Price under this Note.

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3.3 Reserved.

3.4 Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained in this Note, the Holder's First Note (as defined in the Purchase Agreement), or the Purchase Agreement and such breach continues for a period of the lesser of five (5) days after written notice thereof to the Borrower from the Holder, or ten (10) days from the date the Borrower was or should have been aware of such breach.

3.5 Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Purchase Agreement), shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.6 Receiver or Trustee. The Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors or commence proceedings for its dissolution, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed for the Borrower or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment.

3.7 Judgments. Any money judgment, writ or similar process shall be entered or filed against the Borrower or any subsidiary of the Borrower or any of its property or other assets for more than \$100,000, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

3.8 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower, or the Borrower admits in writing its inability to pay its debts generally as they mature, or have filed against it an involuntary petition for bankruptcy relief, all under federal or state laws as applicable or the Borrower admits in writing its inability to pay its debts generally as they mature, or have filed against it an involuntary petition for bankruptcy relief, all under international, federal or state laws as applicable.

3.9 Delisting of Common Stock. The Borrower shall fail to maintain the listing or quotation of the Common Stock on at least one of the OTC Pink, OTCQB, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange, NYSE American, or an equivalent replacement exchange and such failure to be listed or quoted on any such exchange continues for a period of the lesser of five (5) days after written notice thereof to the Borrower from the Holder, or ten (10) days from the date the Borrower was or should have been aware of such breach.

3.10 Failure to Comply with the Exchange Act. The Borrower shall fail to comply with the reporting requirements of the Exchange Act (including but not limited to becoming delinquent in its filings); and/or the Borrower shall cease to be subject to the reporting requirements of the Exchange Act and such failure continues for a period of the lesser of five (5) days after written notice thereof to the Borrower from the Holder, or ten (10) days from the date the Borrower was or should have been aware of such breach.

3.11 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

3.12 Cessation of Operations. Any material cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

3.13 Maintenance of Assets. The failure by Borrower to maintain any material intellectual property rights, personal, real property or other assets which are necessary to conduct its business (whether now or in the future), or any disposition or conveyance of any material asset of the Borrower and such failure continues for a period of the lesser of five (5) days after written notice thereof to the Borrower from the Holder, or ten (10) days from the date the Borrower was or should have been aware of such breach.

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3.14 Financial Statement Restatement. The restatement of any financial statements filed by the Borrower with the SEC for any date or period from two years prior to the Issue Date of this Note and until this Note is no longer outstanding, if the result of such restatement would, by comparison to the unrestated financial statement, have constituted a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.15 Reverse Splits. Except for any reverse split conducted in anticipation of the Uplist, the Borrower effectuates a reverse split of its Common Stock without twenty (20) days prior written notice to the Holder.

3.16 Replacement of Transfer Agent. In the event that the Borrower replaces its transfer agent and fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to the Purchase Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Borrower and the Borrower and such failure continues for a period of the lesser of five (5) days after written notice thereof to the Borrower from the Holder, or ten (10) days from the date the Borrower was or should have been aware of such breach.

3.17 Cessation of Trading. Any cessation of trading of the Common Stock on at least one of the OTC Pink, OTCQB, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange, NYSE American, or an equivalent replacement exchange, and such cessation of trading shall continue for a period of seven consecutive (7) Trading Days.

3.18 Cross-Default. Notwithstanding anything to the contrary contained in this Note or the other related or companion documents, a breach or default by the Borrower of any covenant or other term or condition contained in the Holder's First Note or any of the Other Agreements (as defined herein), after the passage of all applicable notice and cure or grace periods, shall, at the option of the Holder, be considered a default under this Note, the Holder's First Note, and the Other Agreements, in which event the Holder shall be entitled (but in no event required) to apply all rights and remedies of the Holder under the terms of this Note and the Other Agreements by reason of a default under said Other Agreement or hereunder. "Other Agreements" means, collectively, all agreements and instruments between, among or by: (1) the Borrower, and, or for the benefit of, (2) the Holder (and any affiliate of the Holder) or any other third party, including, without limitation, promissory notes; provided, however, the term "Other Agreements" shall not include the agreements and instruments defined as the Documents. Each of the loan transactions will be cross-defaulted with each other loan transaction and with all other existing and future debt of Borrower to the Holder.

3.19 OTC Markets Designation. OTC Markets changes the Borrower's designation to 'No Information' (Stop Sign), 'Caveat Emptor' (Skull and Crossbones), or 'OTC', 'Other OTC' or 'Grey Market' (Exclamation Mark Sign) and such change in designation continues for a period of the lesser of five (5) days after written notice thereof to the Borrower from the Holder, or ten (10) days from the date the Borrower was or should have been aware of such breach.

3.20 Bid Price. The Borrower shall lose the "bid" price for its Common Stock (\$0.0001 on the "Ask" with zero market makers on the "Bid" per Level 2) and/or a market (including the OTC Pink, OTCQB or an equivalent replacement exchange) and such loss continues for a period of the lesser of five (5) days after written notice thereof to the Borrower from the Holder, or ten (10) days from the date the Borrower was or should have been aware of such breach.

3.21 Inside Information. Except in accordance with the Borrower's obligations, under the Amended and Restated Registration Rights Agreement, any attempt by the Borrower or its officers, directors, and/or affiliates to transmit, convey, disclose, or any actual transmittal, conveyance, or disclosure by the Borrower or its officers, directors, and/or affiliates of, material non-public information concerning the Borrower, to the Holder or its successors and assigns, which is not immediately cured by Borrower's filing of a Form 8-K pursuant to Regulation FD on that same date,.

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3.22 Unavailability of Rule 144. If, at any time on or after the date which is six (6) months after the Issue Date, the Holder is unable to (i) obtain a standard "144 legal opinion letter" from an attorney reasonably acceptable to the Holder, the Holder's brokerage firm (and respective clearing firm), and the Borrower's transfer agent in order to facilitate the Holder's conversion of any portion of the Note into free trading shares of the Borrower's Common Stock pursuant to Rule 144, and (ii) thereupon deposit such shares into the Holder's brokerage account.

3.23 Uplist. The Company shall not have completed the Uplist by March 15, 2024.

3.24 Section 3(a)(10) Transaction. The Borrower shall enter into a 3(a)(10) Transaction.

Upon the occurrence of any Event of Default (i) the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to (A) 125% (the "Default Premium") times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the date of payment (the "Mandatory Prepayment Date") plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof (the then outstanding principal amount of this Note to the date of payment plus the amounts referred to in clauses (x), (y) and (z) shall collectively be known as the "Default Amount") and (B) all other amounts payable hereunder, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and (ii) the Holder shall be entitled to exercise all other rights and remedies available at law or in equity. Notwithstanding the foregoing, upon any subsequent Event of Default following the first Event of Default hereunder that is not in any way related to nor caused by the first Event of Default, the Holder shall be entitled to add an additional 5% to the Default Premium for each such subsequent Event of Default. Additionally, if the registration statement required to be filed pursuant to the terms of the Amended and Restated Registration Rights Agreement has not been filed as of the occurrence of an Event of Default, the Borrower, shall be required to file such registration statement by the date that is the earlier of (i) the Filing Deadline (as defined in the Amended and Restated Registration Rights Agreement) and (ii) the date is 15 days following such Event of Default.

The Holder shall have the right at any time, to require the Borrower to immediately issue, in lieu of the Default Amount, the number of shares of Common Stock of the Borrower equal to the Default Amount divided by the Conversion Price then in effect, subject to the terms of this Note (including but not limited to any beneficial ownership limitations contained herein). This requirement by the Borrower shall automatically apply upon the occurrence of an Event of Default without the need for any party to give any notice or take any other action.

If the Holder shall commence an action or proceeding to enforce any provisions of this Note, including, without limitation, engaging an attorney, then if the Holder prevails in such action, the Holder shall be reimbursed by the Borrower for its reasonable attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

#### ARTICLE IV. MISCELLANEOUS

4.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

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4.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, electronic mail, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by electronic mail or facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

Arch Therapeutics, Inc.  
235 Walnut Street  
Suite 6  
Framingham, MA 01702  
Attn:

If to the Holder:

Attn:

4.3 Amendments. Any modifications, amendments or waivers of the provisions hereof shall be subject to Section 7(e) of the Purchase Agreement. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

4.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Neither the Borrower nor the Holder shall assign this Note or any rights or obligations hereunder without the prior written consent of the other. Notwithstanding the foregoing, the Holder may assign its rights hereunder to any "accredited investor" (as defined in Rule 501(a) of the 1933 Act) in a private transaction from the Holder or to any of its "affiliates", as that term is defined under the 1934 Act, without the consent of the Borrower. Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

4.5 Cost of Collection. If an Event of Default shall have occurred, the Borrower shall pay the Holder hereof reasonable costs of collection, including reasonable attorneys' fees.

4.6 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by the internal laws of the State of Nevada, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Nevada or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Nevada.

4.7 Certain Amounts. Whenever pursuant to this Note the Borrower is required to pay an amount in excess of the outstanding principal amount (or the portion thereof required to be paid at that time) plus accrued and unpaid interest plus Default Interest on such interest, the Borrower and the Holder agree that the actual damages to the Holder from the receipt of cash payment on this Note may be difficult to determine and the amount to be so paid by the Borrower represents stipulated damages and not a penalty and is intended to compensate the Holder in part for loss of the opportunity to convert this Note and to earn a return from the sale of shares of Common Stock acquired upon conversion of this Note at a price in excess of the price paid for such shares pursuant to this Note. The Borrower and the Holder hereby agree that such amount of stipulated damages is not plainly disproportionate to the possible loss to the Holder from the receipt of a cash payment without the opportunity to convert this Note into shares of Common Stock.

4.8 Purchase Agreement. By its acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement.

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4.9 Notice of Corporate Events. Except as otherwise provided below, the Holder of this Note shall have no rights as a Holder of Common Stock unless and only to the extent that it converts this Note into Common Stock. The Borrower shall provide the Holder with prior notification of any meeting of the Borrower's shareholders (and copies of proxy materials and other information sent to shareholders). In the event of any taking by the Borrower of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire (including by way of merger, consolidation, reclassification or recapitalization) any share of any class or any other securities or property, or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Borrower or any proposed liquidation, dissolution or winding up of the Borrower, the Borrower shall mail a notice to the Holder, at least twenty (20) days prior to the record date specified therein (or thirty (30) days prior to the consummation of the transaction or event, whichever is earlier), of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend, distribution, right or other event to the extent known at such time. The Borrower shall make a public announcement of any event requiring notification to the Holder hereunder substantially simultaneously with the notification to the Holder in accordance with the terms of this Section 4.9 including, but not limited to, name changes, recapitalizations, etc. as soon as possible under law.

4.10 Usury. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable provision shall automatically be revised to equal the maximum rate of interest or other amount deemed interest permitted under applicable law. The Borrower covenants (to the extent that it may lawfully do so) that it will not seek to claim or take advantage of any law that would prohibit or forgive the Borrower from paying all or a portion of the principal or interest on this Note.

4.11 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required. No provision of this Note shall alter or impair the obligation of the Borrower, which is absolute and unconditional, to pay the principal of, and interest on, this Note at the time, place, and rate, and in the form, herein prescribed.

4.12 Severability. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

4.13 Dispute Resolution. In the case of a dispute as to the determination of the Conversion Price, Conversion Amount, any prepayment amount or Default Amount, Closing or Maturity Date, the closing bid price, or fair market value (as the case may be) or the arithmetic calculation of the Conversion Price or the applicable prepayment amount(s) (as the case may be), the Borrower or the Holder shall submit the disputed determinations or arithmetic calculations via electronic mail (i) within two (2) Business Days after receipt of the applicable notice giving rise to such dispute to the Borrower or the Holder or (ii) if no notice gave rise to such dispute, at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Borrower are unable to agree upon such determination or calculation within two (2) Business Days of such disputed determination or arithmetic calculation (as the case may be) being submitted to the Borrower or the Holder, then the Borrower shall, within two (2) Business Days, submit via electronic mail (a) the disputed determination of the Conversion Price, the closing bid price, the or fair market value (as the case may be) to an independent, reputable investment bank selected by the Borrower and approved by the Lead Investor or (b) the disputed arithmetic calculation of the Conversion Price, Conversion Amount, any prepayment amount or Default Amount, to an independent, outside accountant selected by the Lead Investor. The Borrower shall cause the investment bank or the accountant to perform the determinations or calculations and notify the Borrower and the Holder of the results no later than ten (10) Business Days from the time it receives such disputed determinations or calculations. Such investment bank's or accountant's determination or calculation shall be binding upon all parties absent demonstrable error. The non-prevailing party shall be responsible for the payment investment bank or the account for their services pursuant to the provisions of this Section 4.13.

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4.14 Terms of Future Financings. So long as this Note is outstanding, except for the offering conducted in connection with the Uplist, upon any issuance by the Borrower or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Note, then the Borrower shall notify the Holder of such additional or more favorable term and at Holder's option, the Borrower shall use its best efforts to cause such additional or more favorable term to become a part of the transaction documents with the Holder (irrespective of whether the Borrower provided the notification or not). The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing anti-dilution protections, conversion discounts, prepayment rate, conversion lookback periods, interest rates, original issue discounts, stock sale price, private placement price per share, and warrant coverage.

4.15 Future Raises. The Borrower shall not consummate any capital raising transactions (including but not limited to from the issuance of debt and/or equity securities) during the initial ninety (90) days after the Issue Date other than the Uplist without the consent of the Lead Investor.

4.15A Future Raises. If any Uplist Conversion Warrants are issued, the Borrower shall not consummate any capital raising transactions (including but not limited to from the issuance of debt and/or equity securities) until the earlier of (a) the four-year anniversary of the date of the Securities Purchase Agreement (the "Bridge Purchase Agreement"), dated as of July 7, 2023, as amended, by and among the Company and the buyers signatory thereto, and (b) the first date on which all Holders hold less than 20% of the original amount of Uplist Conversion Warrants received by each Holder, respectively, in connection with the Automatic Conversion (such earlier date, the "4.15A End Date"), in each case other than (i) the Uplist Transaction, (ii) any Permitted Equity Line Facility (as defined in the Bridge Purchase Agreement), and (iii) any transaction that is consented to in writing (with specific reference to this Section 4.15A) by the holders of Uplist Conversion Warrants then outstanding that at such time are exercisable (ignoring for such purposes any beneficial ownership limitation provisions therein) for a number of shares that is, in the aggregate, at least 50.1% of the total number of shares then issuable upon exercise of all such Uplist Conversion Warrants outstanding (ignoring for such purposes any beneficial ownership limitation provisions therein). The provisions of this Section 4.15A shall survive termination or payment in full of this Note and shall remain in effect through the 4.15A End Date.

[signature page follows]

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IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer as of the date first above written.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

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**EXHIBIT A**

**NOTICE OF CONVERSION**

The undersigned hereby elects to convert \$ \_\_\_\_\_ principal amount of the Note (defined below) together with \$ \_\_\_\_\_ of accrued and unpaid interest thereto, totaling \$ \_\_\_\_\_ into that number of shares of Common Stock to be issued pursuant to the conversion of the Note ("Common Stock") as set forth below, of Arch Therapeutics, Inc., a Nevada corporation (the "Borrower"), according to the conditions of the unsecured convertible note of the Borrower dated as of \_\_\_\_\_, 2024 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any.

Box Checked as to applicable instructions:

- The Borrower shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal At Custodian system ("DWAC Transfer").

Name of DTC Prime Broker:

Account Number:

- The undersigned hereby requests that the Borrower issue a certificate or certificates for the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Name: [NAME]

Address: [ADDRESS]

Date of Conversion:

Applicable Conversion Price:

\_\_\_\_\_ \$ \_\_\_\_\_

Number of Shares of Common Stock to be Issued Pursuant to Conversion of the Notes:

\_\_\_\_\_

Amount of Principal Balance Due remaining Under the Note after this conversion:

\_\_\_\_\_

Accrued and unpaid interest remaining:

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

Date:

**AMENDMENT NO. 15  
TO  
SENIOR SECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 15 (this "Amendment") to those certain Senior Secured Convertible Promissory Notes, as amended on February 14, 2023, and as subsequently amended on March 10, 2023, March 15, 2023, April 15, 2023, May 15, 2023, June 15, 2023, July 1, 2023, July 7, 2023, July 31, 2023, August 30, 2023, September 30, 2023, October 31, 2023, November 15, 2023 and January 5, 2024 (as amended, the "First Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each Holder pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023, May 15, 2023 and March 12, 2024 (as amended, the "Securities Purchase Agreement") is made and entered into effective March 15, 2024 by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**W I T N E S S E T H:**

**WHEREAS**, the Company and the Consenting Stockholders desire to amend the First Notes to modify the terms of the Uplist (as defined below) repayment provision and extend the date for completion of the Uplist;

**WHEREAS**, pursuant to Section 4.3 of the First Notes and Section 7(e) of the Securities Purchase Agreement, the First Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendments to the First Notes.**

**1.1** The First Notes are hereby amended by deleting the words "March 15, 2024" in the first paragraph of the First Notes and replacing such words with the following words in substitution therefor:

"April 30, 2024"

**1.2** Section 2.9 of the First Notes is hereby amended and restated as follows:

"Events Upon Uplist. While any portion of this Note is outstanding, in the event of the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the "Uplist"), simultaneously upon the closing of the offering conducted in conjunction with the Uplist (such offering, the "Uplist Transaction"), ninety five percent (95%) of the then outstanding Principal Amount of this Note shall automatically convert (the "Automatic Conversion") into shares of Common Stock, with the Conversion Price for purposes of such Automatic Conversion being equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share. Furthermore, the Borrower shall give the Holder at least five business days prior notice identifying the date of closing of the Uplist Transaction. Notwithstanding the foregoing, if the Holder owns more than one Convertible Note, unless it elects otherwise by notice to the Borrower prior the Automatic Conversion, the aggregate amount to be converted in the Automatic Conversion for all such Convertible Notes of the Holder combined will be allocated among such Convertible Notes in inverse order of when they were issued (such that the most recently issued Convertible Note is converted in full before any portion of the next-most-recently issued Convertible Note is converted, and so on until such aggregate amount to be converted has been converted).

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In addition, upon the Automatic Conversion, the Holder shall receive a warrant (the “Uplist Conversion Warrant”) to purchase a number of shares of Common Stock equal to 80 (subject to adjustment for stock splits (which, for the avoidance of doubt, in the case of a reverse stock split, would cause such number to decrease by dividing such number by the reverse stock split factor) and similar transactions occurring after the date of the execution of this Amendment) times the dollar amount under this Note that was converted in the Automatic Conversion. The Uplist Conversion Warrant shall have an exercise price equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share and shall otherwise be identical to the warrants (other than pre-funded warrants) issued pursuant to the Securities Purchase Agreement dated as of November 8, 2023 (the “Uplist PIPE”). Upon the issuance of the Uplist Conversion Warrant to the Holder, all interest payable under this Note shall be forgiven and cancelled, and no other interest shall be due or payable hereunder. The Company shall file, no later than sixty (60) days after the closing of the Uplist Transaction, a registration statement on Form S-4, or other appropriate form, registering the offer by the Company to exchange (and the Company shall in turn offer to exchange), on a one-for-one basis, all outstanding Uplist Conversion Warrants and Other Warrants (as defined below) for newly issued warrants identical to the warrants that will be sold in the Uplist Transaction accompanying the shares of Common Stock (or share equivalents) being sold in the Uplist Transaction (except that the exercise price shall remain the same as the exercise price specified above), which warrants are expected to be listed on the Nasdaq Capital Market under the symbol “ARTHW.” As used herein, “Other Warrants” means and includes: (x) all warrants issued pursuant to the Securities Purchase Agreement; (y) all warrants (other than pre-funded warrants) issued in the Uplist PIPE; and (z) the Exchange Warrants (as defined in the Bridge Purchase Agreement (as defined below)). Such registration statement and exchange offer shall allow each holder of a Uplist Conversion Warrant or Other Warrant to participate in such exchange and receive, no later than the earlier of (a) 60th calendar day following the date of the registration statement filing and (b) the fifth trading day following the date on which the Company is notified by the U.S. Securities and Exchange Commission that the registration statement will not be reviewed or is no longer subject to further review and comments, the new warrants in exchange as provided above, and such new warrants shall immediately be tradable on the Nasdaq Capital Market and the underlying shares issuable upon exercise of such warrants shall from and after such time be registered and fully tradable in each case to the same extent as the shares of Common Stock sold in the Uplist Transaction (and required current prospectuses shall be provided). Failure of the Borrower to comply with this provision, including the obligations in any of the previous three sentences, shall constitute an Event of Default. If after the Uplist Conversion Warrant is issued to the Holder the Borrower makes a prepayment of all or any portion of the remaining outstanding amount under this Note prior to the Maturity Date, the prepayment shall not be subject to the prepayment premiums set forth in Section 1.9 herein.

Upon the Automatic Conversion, a Holder shall receive pre-funded warrants (the “Note Conversion Pre-Funded Warrants”) in lieu of shares of Common Stock otherwise issuable to the Holder to the extent that the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the Automatic Conversion with respect to which the determination of this sentence is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% (or 9.99% if elected in writing by the Holder prior to the date of the execution of this Amendment) of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act, and Regulations 13D-G thereunder, provided, that the limit may be waived by the Holder (up to a maximum of 9.99%) upon, at the election of the Holder, not less than 61 days’ prior notice to the Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The Note Conversion Pre-Funded Warrants shall have a nominal exercise price of \$0.000125 per share (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment), may be exercised on a cashless basis, shall be exercisable immediately upon issuance, shall contain a customary beneficial ownership limitation provision and shall otherwise be identical to the pre-funded warrants issued in the Uplist PIPE.”

1.3 The First Notes are hereby amended by deleting the words “by March 15, 2024” in Section 3.23 of the First Notes and replacing such words with the following sentence in substitution therefor:

“by April 30, 2024”

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**2. Miscellaneous.**

**2.1** The "First Note Amendment Termination Date" is hereby extended to April 30, 2024.

**2.2** Except as expressly amended by this Amendment, the terms and provisions of the First Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the First Notes; any reference to the First Notes in any such instrument or document shall be deemed a reference to the First Notes as amended hereby. The First Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors.

**2.3** This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

**2.4** This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By:

Name: Michael S. Abrams

Title: Chief Financial Officer

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*Signature Page to Amendment No. 15 to the First Notes*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first written above.

[]

By:  
Name:  
Title:

\_\_\_\_\_

*Signature Page to Amendment No. 15 to the First Notes*

**AMENDMENT NO. 15  
TO  
UNSECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 15 (this "Amendment") to those certain Unsecured Convertible Promissory Notes, as amended on February 14, 2023, and as subsequently amended on March 10, 2023, March 15, 2023, April 15, 2023, May 15, 2023, June 15, 2023, July 1, 2023, July 7, 2023, July 31, 2023, August 30, 2023, September 30, 2023, October 31, 2023, November 15, 2023 and January 5, 2024 (as amended, the "Second Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to certain Holders pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023, May 15, 2023 and March 12, 2024 (as amended, the "Securities Purchase Agreement") is made and entered into effective March 15, 2024 by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**WITNESSETH:**

**WHEREAS**, the Company and the Consenting Stockholders desire to amend the Second Notes to extend the date for completion of the Uplist;

**WHEREAS**, pursuant to Section 4.3 of the Second Notes and Section 7(e) of the Securities Purchase Agreement, the Second Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendments to the Second Notes.**

**1.1** The Second Notes are hereby amended by deleting the words "March 15, 2024" in the first paragraph of the Second Notes and replacing such words with the following words in substitution therefor:

"April 30, 2024"

**1.2** Section 2.9 of the Second Notes is hereby amended and restated as follows:

"Events Upon Uplist. While any portion of this Note is outstanding, in the event of the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the "Uplist"), simultaneously upon the closing of the offering conducted in conjunction with the Uplist (such offering, the "Uplist Transaction"), ninety five percent (95%) of the then outstanding Principal Amount of this Note shall automatically convert (the "Automatic Conversion") into shares of Common Stock, with the Conversion Price for purposes of such Automatic Conversion being equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share. Furthermore, the Borrower shall give the Holder at least five business days prior notice identifying the date of closing of the Uplist Transaction. Notwithstanding the foregoing, if the Holder owns more than one Convertible Note, unless it elects otherwise by notice to the Borrower prior the Automatic Conversion, the aggregate amount to be converted in the Automatic Conversion for all such Convertible Notes of the Holder combined will be allocated among such Convertible Notes in inverse order of when they were issued (such that the most recently issued Convertible Note is converted in full before any portion of the next-most-recently issued Convertible Note is converted, and so on until such aggregate amount to be converted has been converted).

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In addition, upon the Automatic Conversion, the Holder shall receive a warrant (the “Uplist Conversion Warrant”) to purchase a number of shares of Common Stock equal to 80 (subject to adjustment for stock splits (which, for the avoidance of doubt, in the case of a reverse stock split, would cause such number to decrease by dividing such number by the reverse stock split factor) and similar transactions occurring after the date of the execution of this Amendment) times the dollar amount under this Note that was converted in the Automatic Conversion. The Uplist Conversion Warrant shall have an exercise price equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share and shall otherwise be identical to the warrants (other than pre-funded warrants) issued pursuant to the Securities Purchase Agreement dated as of November 8, 2023 (the “Uplist PIPE”). Upon the issuance of the Uplist Conversion Warrant to the Holder, all interest payable under this Note shall be forgiven and cancelled, and no other interest shall be due or payable hereunder. The Company shall file, no later than sixty (60) days after the closing of the Uplist Transaction, a registration statement on Form S-4, or other appropriate form, registering the offer by the Company to exchange (and the Company shall in turn offer to exchange), on a one-for-one basis, all outstanding Uplist Conversion Warrants and Other Warrants (as defined below) for newly issued warrants identical to the warrants that will be sold in the Uplist Transaction accompanying the shares of Common Stock (or share equivalents) being sold in the Uplist Transaction (except that the exercise price shall remain the same as the exercise price specified above), which warrants are expected to be listed on the Nasdaq Capital Market under the symbol “ARTHW.” As used herein, “Other Warrants” means and includes: (x) all warrants issued pursuant to the Securities Purchase Agreement; (y) all warrants (other than pre-funded warrants) issued in the Uplist PIPE; and (z) the Exchange Warrants (as defined in the Bridge Purchase Agreement (as defined below)). Such registration statement and exchange offer shall allow each holder of a Uplist Conversion Warrant or Other Warrant to participate in such exchange and receive, no later than the earlier of (a) 60th calendar day following the date of the registration statement filing and (b) the fifth trading day following the date on which the Company is notified by the U.S. Securities and Exchange Commission that the registration statement will not be reviewed or is no longer subject to further review and comments, the new warrants in exchange as provided above, and such new warrants shall immediately be tradable on the Nasdaq Capital Market and the underlying shares issuable upon exercise of such warrants shall from and after such time be registered and fully tradable in each case to the same extent as the shares of Common Stock sold in the Uplist Transaction (and required current prospectuses shall be provided). Failure of the Borrower to comply with this provision, including the obligations in any of the previous three sentences, shall constitute an Event of Default. If after the Uplist Conversion Warrant is issued to the Holder the Borrower makes a prepayment of all or any portion of the remaining outstanding amount under this Note prior to the Maturity Date, the prepayment shall not be subject to the prepayment premiums set forth in Section 1.9 herein.

Upon the Automatic Conversion, a Holder shall receive pre-funded warrants (the “Note Conversion Pre-Funded Warrants”) in lieu of shares of Common Stock otherwise issuable to the Holder to the extent that the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the Automatic Conversion with respect to which the determination of this sentence is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% (or 9.99% if elected in writing by the Holder prior to the date of the execution of this Amendment) of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act, and Regulations 13D-G thereunder, provided, that the limit may be waived by the Holder (up to a maximum of 9.99%) upon, at the election of the Holder, not less than 61 days’ prior notice to the Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The Note Conversion Pre-Funded Warrants shall have a nominal exercise price of \$0.000125 per share (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment), may be exercised on a cashless basis, shall be exercisable immediately upon issuance, shall contain a customary beneficial ownership limitation provision and shall otherwise be identical to the pre-funded warrants issued in the Uplist PIPE.”

**1.3** The Second Notes are hereby amended by deleting the words “by March 15, 2024” in Section 3.23 of the Second Notes and replacing such words with the following sentence in substitution therefor:

“by April 30, 2024”

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**2. Miscellaneous.**

**2.1** The "Second Note Amendment Termination Date" is hereby extended to April 30, 2024.

**2.2** Except as expressly amended by this Amendment, the terms and provisions of the Second Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the Second Notes; any reference to the Second Notes in any such instrument or document shall be deemed a reference to the Second Notes as amended hereby. The Second Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors.

**2.3** This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

**2.4** This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name: Michael S. Abrams  
Title: Chief Financial Officer

*Signature Page to Amendment No. 15 to the Second Notes*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first written above.

[                    ]

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 15 to the Second Notes*

**AMENDMENT NO. 10  
TO  
UNSECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 10 (this "Amendment") to those certain Unsecured Convertible Promissory Notes, as amended on June 15, 2023, and as subsequently amended on July 1, 2023, July 7, 2023, July 31, 2023, August 30, 2023, September 30, 2023, October 31, 2023, November 15, 2023 and January 5, 2024 (as amended, the "Third Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each Holder pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023, May 15, 2023 and March 12, 2024 (as amended, the "Securities Purchase Agreement") is made and entered into effective March 15, 2024 by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**W I T N E S S E T H:**

**WHEREAS**, the Company and the Consenting Stockholders desire to amend the Third Notes to extend the date for completion of the Uplist;

**WHEREAS**, pursuant to Section 4.3 of the Third Notes and Section 7(e) of the Securities Purchase Agreement, the Third Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendments to the Third Notes.**

**1.1** The Third Notes are hereby amended by deleting the words "March 15, 2024" in the first paragraph of the Third Notes and replacing such words with the following words in substitution therefor:

"April 30, 2024"

**1.2** Section 2.9 of the Third Notes is hereby amended and restated as follows:

"Events Upon Uplist. While any portion of this Note is outstanding, in the event of the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the "Uplist"), simultaneously upon the closing of the offering conducted in conjunction with the Uplist (such offering, the "Uplist Transaction"), ninety five percent (95%) of the then outstanding Principal Amount of this Note shall automatically convert (the "Automatic Conversion") into shares of Common Stock, with the Conversion Price for purposes of such Automatic Conversion being equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share. Furthermore, the Borrower shall give the Holder at least five business days prior notice identifying the date of closing of the Uplist Transaction. Notwithstanding the foregoing, if the Holder owns more than one Convertible Note, unless it elects otherwise by notice to the Borrower prior the Automatic Conversion, the aggregate amount to be converted in the Automatic Conversion for all such Convertible Notes of the Holder combined will be allocated among such Convertible Notes in inverse order of when they were issued (such that the most recently issued Convertible Note is converted in full before any portion of the next-most-recently issued Convertible Note is converted, and so on until such aggregate amount to be converted has been converted).

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In addition, upon the Automatic Conversion, the Holder shall receive a warrant (the "Uplist Conversion Warrant") to purchase a number of shares of Common Stock equal to 80 (subject to adjustment for stock splits (which, for the avoidance of doubt, in the case of a reverse stock split, would cause such number to decrease by dividing such number by the reverse stock split factor) and similar transactions occurring after the date of the execution of this Amendment) times the dollar amount under this Note that was converted in the Automatic Conversion. The Uplist Conversion Warrant shall have an exercise price equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share and shall otherwise be identical to the warrants (other than pre-funded warrants) issued pursuant to the Securities Purchase Agreement dated as of November 8, 2023 (the "Uplist PIPE"). Upon the issuance of the Uplist Conversion Warrant to the Holder, all interest payable under this Note shall be forgiven and cancelled, and no other interest shall be due or payable hereunder. The Company shall file, no later than sixty (60) days after the closing of the Uplist Transaction, a registration statement on Form S-4, or other appropriate form, registering the offer by the Company to exchange (and the Company shall in turn offer to exchange), on a one-for-one basis, all outstanding Uplist Conversion Warrants and Other Warrants (as defined below) for newly issued warrants identical to the warrants that will be sold in the Uplist Transaction accompanying the shares of Common Stock (or share equivalents) being sold in the Uplist Transaction (except that the exercise price shall remain the same as the exercise price specified above), which warrants are expected to be listed on the Nasdaq Capital Market under the symbol "ARTHW." As used herein, "Other Warrants" means and includes: (x) all warrants issued pursuant to the Securities Purchase Agreement; (y) all warrants (other than pre-funded warrants) issued in the Uplist PIPE; and (z) the Exchange Warrants (as defined in the Bridge Purchase Agreement (as defined below)). Such registration statement and exchange offer shall allow each holder of a Uplist Conversion Warrant or Other Warrant to participate in such exchange and receive, no later than the earlier of (a) 60th calendar day following the date of the registration statement filing and (b) the fifth trading day following the date on which the Company is notified by the U.S. Securities and Exchange Commission that the registration statement will not be reviewed or is no longer subject to further review and comments, the new warrants in exchange as provided above, and such new warrants shall immediately be tradable on the Nasdaq Capital Market and the underlying shares issuable upon exercise of such warrants shall from and after such time be registered and fully tradable in each case to the same extent as the shares of Common Stock sold in the Uplist Transaction (and required current prospectuses shall be provided). Failure of the Borrower to comply with this provision, including the obligations in any of the previous three sentences, shall constitute an Event of Default. If after the Uplist Conversion Warrant is issued to the Holder the Borrower makes a prepayment of all or any portion of the remaining outstanding amount under this Note prior to the Maturity Date, the prepayment shall not be subject to the prepayment premiums set forth in Section 1.9 herein.

Upon the Automatic Conversion, a Holder shall receive pre-funded warrants (the "Note Conversion Pre-Funded Warrants") in lieu of shares of Common Stock otherwise issuable to the Holder to the extent that the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the Automatic Conversion with respect to which the determination of this sentence is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% (or 9.99% if elected in writing by the Holder prior to the date of the execution of this Amendment) of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act, and Regulations 13D-G thereunder, provided, that the limit may be waived by the Holder (up to a maximum of 9.99%) upon, at the election of the Holder, not less than 61 days' prior notice to the Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The Note Conversion Pre-Funded Warrants shall have a nominal exercise price of \$0.000125 per share (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment), may be exercised on a cashless basis, shall be exercisable immediately upon issuance, shall contain a customary beneficial ownership limitation provision and shall otherwise be identical to the pre-funded warrants issued in the Uplist PIPE."

**1.3** The Third Notes are hereby amended by deleting the words "by March 15, 2024" in Section 3.23 of the Third Notes and replacing such words with the following words in substitution therefor:

"by April 30, 2024"

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**2. Miscellaneous.**

**2.1** The “Third Note Amendment Termination Date” is hereby extended to April 30, 2024.

**2.2** Except as expressly amended by this Amendment, the terms and provisions of the Third Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the Third Notes; any reference to the Third Notes in any such instrument or document shall be deemed a reference to the Third Notes as amended hereby. The Third Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors.

**2.3** This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

**2.4** This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name: Michael S. Abrams  
Title: Chief Financial Officer

*Signature Page to Amendment No. 9 to the Third Notes*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first written above.

[                    ]

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 9 to the Third Notes*

**AMENDMENT NO. 1  
TO  
SENIOR SECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 1 (this "Amendment") to those certain Senior Secured Convertible Promissory Notes (the "Fourth Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each Holder pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023, May 15, 2023 and March 12, 2024 (as amended, the "Securities Purchase Agreement") is made and entered into effective March 15, 2024 by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**W I T N E S S E T H:**

**WHEREAS**, the Company and the Consenting Stockholders desire to amend the Fourth Notes to modify the terms of the Uplist (as defined below) repayment provision and extend the date for completion of the Uplist;

**WHEREAS**, pursuant to Section 4.3 of the Fourth Notes and Section 7(e) of the Securities Purchase Agreement, the Fourth Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendments to the Fourth Notes.**

**1.1** The Fourth Notes are hereby amended by deleting the words "March 15, 2024" in the first paragraph of the Fourth Notes and replacing such words with the following words in substitution therefor:

"April 30, 2024"

**1.2** Section 2.9 of the Fourth Notes is hereby amended and restated as follows:

"Events Upon Uplist. While any portion of this Note is outstanding, in the event of the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the "Uplist"), simultaneously upon the closing of the offering conducted in conjunction with the Uplist (such offering, the "Uplist Transaction"), ninety five percent (95%) of the then outstanding Principal Amount of this Note shall automatically convert (the "Automatic Conversion") into shares of Common Stock, with the Conversion Price for purposes of such Automatic Conversion being equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share. Furthermore, the Borrower shall give the Holder at least five business days prior notice identifying the date of closing of the Uplist Transaction. Notwithstanding the foregoing, if the Holder owns more than one Convertible Note, unless it elects otherwise by notice to the Borrower prior the Automatic Conversion, the aggregate amount to be converted in the Automatic Conversion for all such Convertible Notes of the Holder combined will be allocated among such Convertible Notes in inverse order of when they were issued (such that the most recently issued Convertible Note is converted in full before any portion of the next-most-recently issued Convertible Note is converted, and so on until such aggregate amount to be converted has been converted).

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In addition, upon the Automatic Conversion, the Holder shall receive a warrant (the “Uplist Conversion Warrant”) to purchase a number of shares of Common Stock equal to 80 (subject to adjustment for stock splits (which, for the avoidance of doubt, in the case of a reverse stock split, would cause such number to decrease by dividing such number by the reverse stock split factor) and similar transactions occurring after the date of the execution of this Amendment) times the dollar amount under this Note that was converted in the Automatic Conversion. The Uplist Conversion Warrant shall have an exercise price equal to \$0.50 (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment) per share and shall otherwise be identical to the warrants (other than pre-funded warrants) issued pursuant to the Securities Purchase Agreement dated as of November 8, 2023 (the “Uplist PIPE”). Upon the issuance of the Uplist Conversion Warrant to the Holder, all interest payable under this Note shall be forgiven and cancelled, and no other interest shall be due or payable hereunder. The Company shall file, no later than sixty (60) days after the closing of the Uplist Transaction, a registration statement on Form S-4, or other appropriate form, registering the offer by the Company to exchange (and the Company shall in turn offer to exchange), on a one-for-one basis, all outstanding Uplist Conversion Warrants and Other Warrants (as defined below) for newly issued warrants identical to the warrants that will be sold in the Uplist Transaction accompanying the shares of Common Stock (or share equivalents) being sold in the Uplist Transaction (except that the exercise price shall remain the same as the exercise price specified above), which warrants are expected to be listed on the Nasdaq Capital Market under the symbol “ARTHW.” As used herein, “Other Warrants” means and includes: (x) all warrants issued pursuant to the Securities Purchase Agreement; (y) all warrants (other than pre-funded warrants) issued in the Uplist PIPE; and (z) the Exchange Warrants (as defined in the Bridge Purchase Agreement (as defined below)). Such registration statement and exchange offer shall allow each holder of a Uplist Conversion Warrant or Other Warrant to participate in such exchange and receive, no later than the earlier of (a) 60th calendar day following the date of the registration statement filing and (b) the fifth trading day following the date on which the Company is notified by the U.S. Securities and Exchange Commission that the registration statement will not be reviewed or is no longer subject to further review and comments, the new warrants in exchange as provided above, and such new warrants shall immediately be tradable on the Nasdaq Capital Market and the underlying shares issuable upon exercise of such warrants shall from and after such time be registered and fully tradable in each case to the same extent as the shares of Common Stock sold in the Uplist Transaction (and required current prospectuses shall be provided). Failure of the Borrower to comply with this provision, including the obligations in any of the previous three sentences, shall constitute an Event of Default. If after the Uplist Conversion Warrant is issued to the Holder the Borrower makes a prepayment of all or any portion of the remaining outstanding amount under this Note prior to the Maturity Date, the prepayment shall not be subject to the prepayment premiums set forth in Section 1.9 herein.

Upon the Automatic Conversion, a Holder shall receive pre-funded warrants (the “Note Conversion Pre-Funded Warrants”) in lieu of shares of Common Stock otherwise issuable to the Holder to the extent that the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the Automatic Conversion with respect to which the determination of this sentence is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% (or 9.99% if elected in writing by the Holder prior to the date of the execution of this Amendment) of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act, and Regulations 13D-G thereunder, provided, that the limit may be waived by the Holder (up to a maximum of 9.99%) upon, at the election of the Holder, not less than 61 days’ prior notice to the Borrower, and the provisions of the conversion limitation shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver). The Note Conversion Pre-Funded Warrants shall have a nominal exercise price of \$0.000125 per share (subject to adjustment for stock splits and similar transactions occurring after the date of the execution of this Amendment), may be exercised on a cashless basis, shall be exercisable immediately upon issuance, shall contain a customary beneficial ownership limitation provision and shall otherwise be identical to the pre-funded warrants issued in the Uplist PIPE.”

1.3 The Fourth Notes are hereby amended by deleting the words “by March 15, 2024” in Section 3.23 of the Fourth Notes and replacing such words with the following sentence in substitution therefor:

“by April 30, 2024”

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**2. Miscellaneous.**

**2.1** The “Fourth Note Amendment Termination Date” is hereby extended to April 30, 2024.

**2.2** Except as expressly amended by this Amendment, the terms and provisions of the Fourth Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the Fourth Notes; any reference to the Fourth Notes in any such instrument or document shall be deemed a reference to the Fourth Notes as amended hereby. The Fourth Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors.

**2.3** This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

**2.4** This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By:

Name: Michael S. Abrams

Title: Chief Financial Officer

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*Signature Page to Amendment No. 15 to the Fourth Notes*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

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By:  
Name:  
Title:

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*Signature Page to Amendment No. 15 to the Fourth Notes*