

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K/A  
(Amendment No. 1)

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 2, 2015

**CHANTICLEER HOLDINGS, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware	000-29507	20-2932652
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification No.)

7621 Little Avenue, Suite 414 Charlotte, North Carolina	28226
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (704) 366-5122

N/A

(Former Name or Former Address, if Changed Since Last Report)

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))

## EXPLANATORY NOTE

This Form 8-K/A is filed as an amendment to the Current Report on Form 8-K filed by Chanticleer Holdings, Inc. on January 8, 2015 (the "Original Report") in order to include the exhibits that were inadvertently not filed with the Original Report.

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

On January 2, 2015, Chanticleer Holdings, Inc., a Delaware corporation (the "Company") closed on a private offering and issued and sold 7.5 units (the "Units") to an accredited investor with each such Unit consisting of an 8% Convertible Promissory Note with the principal face value of \$50,000 (the "Notes") and a warrant to purchase 12,500 shares of the Company's common stock (the "Warrant"). On January 5, 2015 the Company issued and sold 4 additional Units to an accredited investor. On January 7, 2015 the Company issued and sold 1 additional Unit to an investor. On January 8, 2015 the Company issued and sold 2 additional Units to an accredited investor. The Units were sold pursuant to the terms of a Subscription Agreement (the "Subscription Agreement"). In conjunction with the sale of the Units, the Company also entered into a Registration Rights Agreement (the "Registration Rights Agreement") with the various accredited investors. Pursuant to the terms of the Registration Rights Agreement, the Company agreed to register the shares of common stock underlying the Notes and Warrants. The Company sold a total of 14.5 Units to accredited investors resulting in net proceeds of \$725,000 to the Company and issued warrants to these investors totaling 181,250.

The Notes have a term of three years, pay interest quarterly at 8% per annum and contain an option by the holder to demand full repayment of the outstanding principal amount of the note, plus all accrued and unpaid interest, at any time after the one-year anniversary of the issuance of the Note. The Note can be voluntarily converted by the holder into shares of common stock during the period commencing one hundred eighty days after the issuance of the Notes at an exercise price equal to the lesser of \$2.00 per share and a fifteen percent discount to the average of the lowest three trading prices for the Company's common stock during the ten trading day period ending on the last complete trading day prior to the conversion date of the Note, provided however that the conversion price shall not be less than \$1.00 per share. The Warrants have an exercise price of two dollars fifty cents per share and have a term of five years. The Company plans to use net proceeds from the sale of the Units for general working capital.

The Units were offered and sold without registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder.

The summary of the transactions described above are qualified in their entirety by reference to the Warrant, Subscription Agreement, Note and Registration Rights Agreement which are filed as Exhibits 4.1, 10.1, 10.2, 10.3, and 10.4 respectively to this Current Report.

### Item 9.01 Financial Statements and Exhibits

(c) Exhibits.

<u>Exhibit</u>	<u>Description</u>
4.1	Form of Warrant
10.1	Form of Subscription Agreement
10.2	Form of Note

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**SIGNATURE**

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

**CHANTICLEER HOLDINGS, INC.**

Dated: January 8, 2015

By: /s/ Michael D. Pruitt  
Michael D. Pruitt  
Chief Executive Officer

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THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. NEITHER THIS WARRANT NOR THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNLESS THE WARRANT AND/OR THE COMMON SHARES ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO IT TO SUCH EFFECT.

Right to Purchase [\*] Common Shares of Chanticleer Holdings, Inc. (subject to adjustment as provided herein)

**COMMON STOCK WARRANT**

**Series 2014**

**Issue Date: January [\*], 2015**

CHANTICLEER HOLDINGS, INC., a corporation organized under the laws of the State of Delaware (the "Company"), hereby certifies that \_\_\_\_\_ or its permitted assigns (the "Holder"), is entitled, subject to the terms set forth below to purchase from the Company at any time after the issue date of this Warrant (the "Issue Date") until 5:00 p.m., Eastern Standard Time on January \_\_\_\_, 2020, (the "Expiration Date"), \_\_\_\_\_ (["\*"]) fully paid and non-assessable Common Shares (as hereinafter defined) of the Company at a per share purchase price of two dollars and fifty cents (USD \$2.50). The purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "Purchase Price." The number and character of such Common Shares and the Purchase Price are subject to adjustment as provided herein. This Warrant is being issued to the Holder pursuant to the terms and conditions of that certain Subscription Agreement of even date herewith by and between the Company and the Holder (the "Subscription Agreement"). All terms not otherwise defined herein shall have the same meaning as in the Subscription Agreement.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

- A. The term "Business Day" shall mean any day except Saturday, Sunday, any day which shall be a federal legal holiday in the United States or any day on which banking institutions in the State of Delaware are authorized or required by law or other governmental action to close.
  - B. The term "Company" shall include Chanticleer Holdings, Inc. and any corporation which shall succeed or assume the obligations of Chanticleer Holdings, Inc. hereunder.
  - C. The term "Common Shares" includes (a) the Company's Common Shares, \$.0001 par value per share, as authorized on the date hereof, and (b) any other securities into which or for which any of the securities described in (a) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.
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D. **“Market Price”** means the average of the lowest three (3) Trading Prices for the Common Stock during the ten (10) Trading Day period ending on the last complete Trading Day prior to the Conversion Date.

E. The term **“Note”** refers to that certain 8% Convertible Promissory Note in the principal amount of \$\_\_\_\_\_ of even date herewith from the Company to the Holder which was issued and sold pursuant to terms of the Subscription Agreement.

F. The term **“Other Securities”** refers to any stock (other than Common Shares) and other securities of the Company or any other person (corporate or otherwise) which the Holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Shares, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Shares or Other Securities pursuant to Section 2 herein or otherwise.

G. **“Trading Day”** means a day on which the principal market or exchange, on which the Common Shares are listed or quoted for trading, is open (e.g. the Nasdaq Capital Market, the NYSE AMEX Equities Exchange, the New York Stock Exchange, the OTC Bulletin Board or the Pink Sheets as operated by Pink OTC Markets, etc.).

H. **“Trading Price”** means the closing bid price of the Common Shares on The Nasdaq Stock Exchange or if The Nasdaq Stock Exchange is not the principal trading market for such security, the closing bid price of the Common Shares on the principal securities exchange or trading market where the Company Shares are listed or traded or, if no closing bid price of the Common Shares is available in any of the foregoing manners, the average of the closing bid prices of any market makers for the Common Shares on the OTC Markets.

I. The term **“Warrant Shares”** shall mean the Common Shares issuable upon exercise of this Warrant.

J. The term **“Registration Rights Agreement”** shall mean the Registration Rights Agreement of even date herewith by and between the Company and the Holder pursuant to which the Company is obligated to register the resale of the Warrant Shares.

1. Exercise of Warrant.

1.1 Number of Shares Issuable upon Exercise. From and after the Issue Date through and including the Expiration Date, the Holder hereof shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of subsection 1.2 or upon exercise of this Warrant in part in accordance with subsection 1.3, Common Shares of the Company, subject to adjustment pursuant to Section 3.

1.2. Full Exercise. This Warrant may be exercised in full by the Holder hereof by delivery of an original or facsimile copy of the form of subscription attached as Exhibit A hereto (the **“Subscription Form”**) duly executed by such Holder and simultaneously surrender of the original Warrant to the Company at its principal office, accompanied by payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of Common Shares for which this Warrant is then exercisable by the Purchase Price then in effect.

1.3. Partial Exercise. This Warrant may be exercised in part (but not for a fractional share) by surrender of this Warrant in the manner and at the place provided in subsection 1.2 except that the amount payable by the Holder on such partial exercise shall be the amount obtained by multiplying (a) the number of whole shares designated by the Holder in the Subscription Form by (b) the Purchase Price then in effect. On any such partial exercise, the Company, at its expense, will forthwith issue and deliver to or upon the order of the Holder hereof a new Warrant of like tenor, in the name of the Holder hereof or as such Holder (upon payment by such Holder of any applicable transfer taxes) may request, the whole number of Common Shares for which such Warrant may still be exercised.

1.4. Company Acknowledgment; Issuance Taxes. The Company will, at the time of the exercise of the Warrant, upon the request of the Holder hereof acknowledge in writing its continuing obligation to afford to such Holder any rights to which such Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant. The issuance of certificates for Common Shares upon the exercise of this Warrant will be made without charge to the Holder for any issuance tax in respect thereof or any other cost incurred by the Company in connection with such exercise and related transfer of the shares; *provided, however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any certificate or instrument in a name other than that of the Holder of this Warrant, and that the Company shall not be required to issue or deliver any such certificate or instrument unless and until the person or persons requiring the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

1.5. Delivery of Stock Certificates, etc. on Exercise. The Company agrees that the Common Shares purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid. Within two (2) Business Days thereafter (the “**Deadline**”), the Company at its expense will cause to be issued in the name of and delivered to the Holder hereof, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and non-assessable Common Shares (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the closing market price of the Common Stock on the exercise date of one full Common Share, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 or otherwise. If the Holder shall have given exercised all or any portion of this Warrant in accordance with its terms, the Company’s obligation to issue and deliver the certificates for Common Shares 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 Company 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 Company, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with such conversion.

1.6 Delivery of Common Shares by Electronic Transfer In lieu of delivering physical certificates representing the Common Shares issuable upon the exercise of this Warrant, provided the Company is participating in the Depository Trust Company (“DTC”) Fast Automated Securities Transfer (“FAST”) program, upon request of the Holder the Company shall use its best efforts to cause its transfer agent to electronically transmit the Common Shares issuable upon exercise of this Warrant to the Holder by crediting the account of Holder’s Prime Broker with DTC through its Deposit Withdrawal Agent Commission (“DWAC”) system.

1.7 Failure to Deliver Common Shares Prior to 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 Shares issuable upon exercise of this Warrant is not delivered by the Deadline, the Company shall pay to the Holder \$2,000 per day in cash, for each day beyond the Deadline that the Company fails to deliver such Common Shares. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued. The Company agrees that the right to exercise this Warrant is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such exercise right are difficult if not impossible to quantify. Accordingly the parties acknowledge that the liquidated damages provision contained in this Section 1.7 are justified.

1.8 Cashless Exercise of the Warrant In the event (i) the Company should fail to register (and maintain such registration) the Warrant Shares as required by the Registration Rights Agreement, (ii) breach any term of the Registration Rights Agreement, or (iii) upon an Event of Default (as that term is defined in the Note) under the Note, then in lieu of exercising the Warrant by paying the Purchase Price in cash, the Warrant may be exercised in whole at any time or in part from time to time prior to the Expiration Date of the Warrant, by the Holder by surrendering the Warrant to the Company, without payment of any other consideration, together with a duly executed Subscription Notice. The number of Common Shares to be issued by the Company shall be calculated using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where

X	=	the number of Common Shares to be issued to the Holder
Y	=	the number of Common Shares purchasable under the Warrant or, if the Warrant is being exercised in part, under the portion of the Warrant being exercised (at the date of surrender of the Warrant and the notice of exercise)
A	=	the Market Price (at the date of surrender and the notice of exercise)
B	=	the per share Purchase Price (as adjusted to the date of surrender of the Warrant and the notice of exercise) this Warrant shall become immediately exercisable by the Holder on a cashless basis.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Common Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Common Shares shall be deemed to have commenced, on the date this Warrant was originally issued to the Holder.

1.9 The registration rights for the Common Shares underlying the Warrant are as set forth in the Registration Rights Agreement. Unless the Company shall have registered the Common Shares underlying this Warrant, the Common Shares issuable upon the exercise of this Warrant will be "restricted securities" as that term is defined in the Securities Act. The Company may insert the following or similar legend on the face of the certificates evidencing such securities if required in compliance with state securities laws:

*"These securities have not been registered under any state securities laws and may not be sold or otherwise transferred or disposed of except pursuant to an effective registration statement under any applicable state securities laws, or an opinion of counsel satisfactory to counsel to Chanticleer Holdings, Inc. that an exemption from registration under any applicable state securities laws is available."*

2. Adjustment for Reorganization, Consolidation, Merger, etc.

2.1. Reorganization, Consolidation, Merger, etc. In case at any time or from time to time, the Company shall (a) effect a reorganization, (b) consolidate with or merge into any other person or (c) transfer all or substantially all of its properties or assets to any other person, then, in each such case, as a condition to the consummation of such a transaction, proper and adequate provision shall be made by the Company whereby the Holder of this Warrant, on the exercise hereof as provided in Section 1, at any time after the consummation of such reorganization, consolidation or merger or sale, as the case may be, shall receive, in lieu of the Common Shares (or Other Securities) issuable on such exercise prior to such consummation, the stock and other securities and property (including cash) to which such Holder would have been entitled upon such consummation, if such Holder had so exercised this Warrant, immediately prior thereto, all subject to further adjustment thereafter as provided in Section 3.

2.2. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 2, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 3.



3 . Extraordinary Events Regarding Common Stock In the event that the Company shall (a) issue additional Common Shares as a dividend or other distribution on outstanding Common Shares, (b) subdivide its outstanding Common Shares, or (c) combine its outstanding Common Shares into a smaller number of Common Shares, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the numerator of which shall be the number of Common Shares outstanding immediately prior to such event and the denominator of which shall be the number of Common Shares outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described herein in this Section 3. The number of Common Shares that the Holder of this Warrant shall thereafter, on the exercise hereof as provided in Section 1, be entitled to receive shall be adjusted to a number determined by multiplying the number of Common Shares that would otherwise (but for the provisions of this Section 3) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this Section 3) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

4 . Certificate as to Adjustments. In each case of any adjustment or readjustment in the Common Shares (or Other Securities) issuable on the exercise of the Warrants, the Company at its expense will promptly cause its Chief Financial Officer or other appropriate designee to compute such adjustment or readjustment in accordance with the terms of the Warrant and prepare a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (a) the consideration received or receivable by the Company for any additional Common Shares (or Other Securities) issued or sold or deemed to have been issued or sold, (b) the number of Common Shares (or Other Securities) outstanding or deemed to be outstanding, and (c) the Purchase Price and the number of Common Shares to be received upon exercise of this Warrant, in effect immediately prior to such adjustment or readjustment and as adjusted or readjusted as provided in this Warrant. The Company will forthwith mail a copy of each such certificate to the Holder of the Warrant.

5 . Reservation of Stock, etc. Issuable on Exercise of Warrant. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all Common Shares (or Other Securities) from time to time issuable on the exercise of the Warrant.

6 . Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "**Transferor**"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "**Transferor Endorsement Form**") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company at its expense, but with payment by the Transferor of any applicable transfer taxes, will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "**Transferee**"), calling in the aggregate on the face or faces thereof for the number of Common Shares called for on the face or faces of the Warrant so surrendered by the Transferor. No such transfers shall result in a public distribution of the Warrant.

7. Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

8. Transfer on the Company's Books. 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. Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

9. 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, telegram, 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 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 or (c) three business days after deposited in the mail if delivered pursuant to subsection (ii) above. The addresses for such communications shall be: (i) if to the Company to: 7621 Little Avenue, Suite 414, Charlotte, NC 28226, facsimile number (704) 366-2463; and (ii) if to the Holder to: the address set forth on the Holder's signature page to the Subscription Agreement. The Company and the Holder may change their respective addresses for notices by like notice to the other party.

10. Miscellaneous. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

11. Governing Law; Venue. This Warrant shall be governed by and construed in accordance with the domestic laws of the State of New York, without giving effect to any choice or conflict of law provision or rule. The parties further: (i) agree that any legal suit, action or proceeding arising out of or relating to this Note shall be instituted exclusively in any Federal or State court of competent jurisdiction within the State of New York, County of New York, (ii) waive any objection that they may have now or hereafter to the venue of any such suit, action or proceeding, and (iii) irrevocably consent to the *in personam* jurisdiction of any Federal or State court of competent jurisdiction within the State of New York, County of New York in any such suit, action or proceeding. The parties each further agree to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in a Federal or State court of competent jurisdiction within the State of New York, County of New York, and that service of process upon the parties mailed by certified mail to their respective addresses shall be deemed in every respect effective service of process upon the parties, in any action or proceeding.

12. Legal Fees. In the event that Holder is required to take legal or other action to enforce its rights or obtain collection under this Warrant, the Company shall pay the Holder hereof reasonable costs of collection, or enforcement of the terms hereof, including reasonable attorneys' fees.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

**CHANTICLEER HOLDINGS, INC.**

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

Name: Michael D. Pruitt

Title: Chief Executive Officer

**Exhibit A**

FORM OF SUBSCRIPTION  
(to be signed only on exercise of Warrant)

TO: CHANTICLEER HOLDINGS, INC.

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby irrevocably elects to purchase:

\_\_\_\_\_ Common Shares covered by such Warrant, for a total purchase price of \$ \_\_\_\_\_, payable \_\_\_\_\_.

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant, which is \$ \_\_\_\_\_. Such payment takes the form of (check applicable box or boxes):

\$ \_\_\_\_\_ in lawful money of the United States, paid by check.

\$ \_\_\_\_\_ in lawful money of the United States, paid by wire transfer.

The undersigned requests that the certificates for such shares be issued in the name of, and delivered to \_\_\_\_\_ whose address is \_\_\_\_\_

YOU MUST COMPLETE THE ACCREDITED INVESTOR CERTIFICATION FOUND ON APPENDIX A HERETO AND CHECK AT LEAST ONE APPROPRIATE BOX CERTIFYING YOUR STATUS AS AN ACCREDITED INVESTOR IN ORDER TO EXERCISE THIS WARRANT.

Payment for Common Shares. If the undersigned has delivered to the Company, with this Subscription, a check payable to the Company in the amount of the Purchase Price of the Common Shares, if the Warrant is not being exercised on a cashless basis pursuant to the provisions of Section 1.8., then the undersigned warrants that such check is backed by good and sufficient funds and authorizes the Company to deposit that check immediately upon receipt of this Subscription. If such a check has not been delivered with this Subscription, then the undersigned agrees to immediately deliver the amount of the Purchase Price of the Common Shares to the Company, in immediately available funds in the form of a wire transfer using the following instructions:

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_

Routing Number: \_\_\_\_\_  
For Further Credit to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Account Number: \_\_\_\_\_  
FBO: \_\_\_\_\_  
(Subscriber's Name)

Information. The undersigned acknowledges that the undersigned has been offered the opportunity to obtain information, to verify the accuracy of the information received by the undersigned, to evaluate the merits and risks of this investment and to ask questions and receive satisfactory answers concerning the terms and conditions of this investment. The undersigned has reviewed the Company's filings with the Securities and Exchange Commission (the "SEC"). The Company has made its officers available to the undersigned to answer questions concerning the Company and the investment being made hereby. In making the decision to purchase the Common Shares, the undersigned has relied and will rely solely upon independent investigations made by the undersigned. The undersigned is not relying on the Company with respect to any tax or other economic considerations involved in this investment. The undersigned has been encouraged by the Company to consult with the undersigned's own attorneys and other advisors with respect to all matters concerning this investment, has been given adequate opportunity to so consult, and has done so to the extent the undersigned has deemed appropriate.

Accredited Investor and other Investment Representations. The undersigned represents and warrants that the undersigned is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act.

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

\_\_\_\_\_  
(Signature must conform to name of holder as specified on the face of the Warrant.)

\_\_\_\_\_  
(Address)

**Exhibit B**

FORM OF TRANSFEROR ENDORSEMENT  
(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto the person(s) named below under the heading "Transferees" the right represented by the within Warrant to purchase the percentage and number of Common Shares of CHANTICLEER HOLDINGS, INC. to which the within Warrant relates specified under the headings "Percentage Transferred" and "Number Transferred," respectively, opposite the name(s) of such person(s) and appoints each such person Attorney to transfer its respective right on the books of CHANTICLEER HOLDINGS, INC. with full power of substitution in the premises.

<u>Transferees</u>	<u>Percentage Transferred</u>	<u>Number Transferred</u>

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

\_\_\_\_\_  
(Signature must conform to name of holder as specified on the face of the Warrant)

Signed in the presence of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(address)

The undersigned transferee acknowledges and agrees that this transfer may only be made in compliance with applicable federal and state securities laws, and in accordance with Section 6 of the warrant.

\_\_\_\_\_  
(address)

ACCEPTED AND AGREED:  
[TRANSFEREE]

\_\_\_\_\_  
(Name)

\_\_\_\_\_

SUBSCRIPTION AGREEMENT

## HOTR CONVERTIBLE SECURITIES

**SUBSCRIPTION AGREEMENT** (this “**Agreement**” or “**Subscription Agreement**”) dated as of January \_\_, 2015 between CHANTICLEER HOLDINGS, INC., a Delaware corporation having its principal offices at 7621 Little Avenue, Suite 414, Charlotte, NC 28226 (the “**Company**”) and \_\_\_\_\_ (“**Subscriber**”), whose name and address are as set forth on the Signature Page to this Agreement.

**WHEREAS**, on the terms and subject to the conditions hereinafter set forth, the Company is offering (the “**Offering**”) units, with each such unit consisting of an 8% convertible note in the principal amount of Fifty Thousand Dollars (\$50,000) in the form attached hereto as Exhibit A and incorporated herein by such reference (the “**Note**”) and a common stock purchase warrant to purchase twelve thousand five hundred (12,500) shares of the Company’s common stock, par value \$0.0001 per share (the “**Common Stock**”) exercisable at two dollars and fifty cents (\$2.50) per share for a period of up to five (5) years from the issuance date in the form attached hereto Exhibit B and incorporated herein by such reference (the “**Warrants**”). The Unit is being offered to the Subscriber who has advised the Company that it qualifies as an “accredited investor” as defined in Rule 501 of Regulation D (“**Regulation D**”) promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”). The Note and Warrant are sometimes hereinafter referred to as the “**Securities**.”

**WHEREAS**, the Subscriber has received and carefully read this Subscription Agreement, the Note, the Warrant and the registration rights agreement in the form attached hereto as Exhibit C and incorporated herein by such reference (the “**Registration Rights Agreement**”) (collectively, the “**Offering Documents**”) which, among other things, describe the terms and conditions by which the Subscriber may invest in the Offering.

**WHEREAS**, Subscriber desires to acquire the aggregate number of Securities upon the terms and conditions of the Offering Documents.

**WHEREAS**, this Offering shall close on or before January 30, 2015. The Company may extend the Offering upon approval of its Board of Directors.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

**Section 1. Subscription for Securities.** On the terms and subject to the conditions set forth in the Offering Documents, Subscriber hereby irrevocably subscribes for and agrees to purchase from the Company the Securities for the purchase price as set forth on the Signature Page to this Agreement (the “**Purchase Price**”). The Purchase Price is payable by check made payable to “**Chanticleer Holdings, Inc.**” contemporaneously with the execution and delivery of this Subscription Agreement to the Company or by wire transfer to the following coordinates:

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RBK: Paragon Commercial  
Bank  
ABA: 053112288  
BNF: Chanticleer Holdings, Inc. Escrow Account  
A/C: 0660563  
Attn: Rose Auteri or Brenda Pierce, Fax Number (919) 861-  
1120

A closing (the “**Closing**”) of the sale of the Securities shall occur contemporaneously with the delivery of this Agreement and the Purchase Price by the Subscriber to the Company. Promptly following the Closing, a duly executed Note, Warrant and Registration Rights Agreement, together with a copy of this Agreement signed by the Company will be delivered by the Company to Subscriber.

**Section 2. Representations, Warranties and Covenants of Subscriber.** Subscriber hereby represents, warrants and covenants to the Company that:

2.1 Subscriber recognizes that the purchase of the Securities involves a high degree of risk in that (i) an investment in the Company is highly speculative and only investors who can afford the loss of their entire investment should consider investing in the Securities; (iii) an investor may not be able to readily liquidate its investment; (iv) transferability of the Securities is limited; and (v) Subscriber could sustain the loss of its entire investment. Subscriber has reviewed the risk factors set forth in the Company’s filings with the Securities and Exchange Commission (“**SEC**”) made in the last twelve months.

2.2 Subscriber is an “accredited investor” as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, and Subscriber is able to bear the economic risk of an investment in the Securities. In addition, Subscriber has such knowledge and experience in business and financial matters, including prior investments in non-listed and non-registered securities, as is necessary in order to evaluate the merits and risks of its investment in the Securities.

2.3 Subscriber acknowledges that the Subscriber has been offered the opportunity to obtain information, to verify the accuracy of the information received by Subscriber, to evaluate the merits and risks of this investment and to ask questions and receive satisfactory answers concerning the terms and conditions of this investment. The Company has made its officers available to the undersigned to answer questions concerning the Company and the investment being made hereby. Subscriber has received and has carefully read and considered the Use of Proceeds attached hereto as Attachment A (the “**Use of Proceeds**”), and the Company’s filings with the SEC for at least the last twelve months. In evaluating the suitability of an investment in the Company, Subscriber has not relied upon any representations or other information (whether oral or written) received from the Company, its officers, directors, agents, attorneys, accountants, employees or representatives, except information set forth in this Agreement, the Use of Proceeds or information that is filed with the SEC or obtained from the Company in order to verify such information.

2.4 Subscriber understands that its purchase of the Securities may have tax consequences and that Subscriber must retain its own professional advisors to evaluate the tax and other consequences of an investment in the Securities. Subscriber has independently evaluated the merits of its decision to purchase Securities, and Subscriber confirms that it has been afforded the opportunity to consult with its business, tax and/or legal counsel in making such decision and has availed itself of that opportunity to the extent deemed advisable by Subscriber.

2.5 Subscriber acknowledges that the Offering has not been reviewed, endorsed or approved by the SEC and that the Securities are being offered without registration under the Securities Act in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated thereunder and without registration under any state securities laws. Subscriber understands that a legend will be affixed to the Securities to the effect that the Securities have not been registered under the Securities Act or any applicable state securities laws and setting forth or referring to the restrictions on transferability and sale thereof. Subscriber represents and warrants that all offers and sales by Subscriber of the Securities shall be made pursuant to registration thereof under the Securities Act, or pursuant to an exemption from registration under the Securities Act.

2.6 Subscriber is purchasing the Securities and the shares of Common Stock issuable upon conversion of or otherwise pursuant to the Note (including, without limitation, such additional shares of Common Stock, if any, as are issuable on account of interest on the Note or otherwise) and upon the exercise of the Warrant (collectively, the "**Conversion Shares**") for Subscriber's own account for investment purposes only and not with a view to or for sale in connection with, or for purposes of, any "distribution" thereof within the meaning of Section 2(11) of the Securities Act.

2.7 The Subscriber acknowledges that it may not withdraw this subscription. Subscriber understands that the Company reserves the right to reject or limit any subscription in its sole discretion. Subscriber further understands that the Company shall not have any obligation to sell any Securities in any jurisdiction in which the sale of Securities would constitute a violation of the securities, "blue sky" or other similar laws of such jurisdiction.

2.8 Subscriber's address set forth on the signature page hereto is its principal residence if Subscriber is an individual or its principal business address if Subscriber is a corporation or other entity.

2.9 Subscriber is not subscribing for the Securities as a result of any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or general meeting.

2.10 Subscriber has all requisite legal and other power and authority to execute and deliver this Subscription Agreement and to carry out and perform Subscriber's obligations hereunder. This Subscription Agreement constitutes a valid and legally binding obligation of Subscriber, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other general principals of equity, whether such enforcement is considered in a proceeding in equity or law. The funds provided for this investment are either separate property of Subscriber, community property over which Subscriber has the right of control or are otherwise funds as to which Subscriber has the sole right of management.

2.11 The execution, delivery and performance of this Subscription Agreement by Subscriber will not result in any violation of, or conflict with, or constitute a default under, any of Subscriber's articles of incorporation or by-laws, if applicable, or any agreement to which Subscriber is a party or by which it is bound.

2.12 No consent from any other person is required in order for Subscriber to execute this Agreement and perform its obligations hereunder, or such consent has been obtained and a copy has been provided to the Company.

2.13 Subscriber has kept confidential the existence of the Offering and the information contained therein or made available in connection with any further investigation of the Company.

2.14 Subscriber's representations and warranties contained in this Subscription Agreement accompanying this Subscription Agreement do not contain any untrue statement of a material fact. Subscriber understands that the Company is relying upon the truth and accuracy of the representations, warranties and agreements of Subscriber set forth herein in making its determination that the Offering and sale of the Securities is exempt from registration under the Securities Act and state securities laws.

2.15 Subscriber has delivered IRS Form W-9 to the Company, or if not a United States citizen, Subscriber has delivered an IRS Form W-8BEN or other appropriate form to Company.

**Section 3. Representation and Warranties of the Company.** The Company represents and warrants to the Buyer that:

3.1 Organization and Qualification. The Company and each of its subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. The Company and each of its subsidiaries is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Company or its subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith. "Subsidiaries" means any corporation or other organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, any equity or other ownership interest.

3 . 2 Authorization: Enforcement. (i) The Company has all requisite corporate power and authority to enter into and perform its obligations under the Offering Documents and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Offering Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Note and the Warrant and the issuance and reservation for issuance of the Conversion Shares issuable upon conversion or exercise thereof) have been duly authorized by the Company's board of directors and no further consent or authorization of the Company, its board of directors, or its stockholders is required, (iii) the Offering Documents have been duly executed and delivered by the Company by its authorized representative, and such authorized representative is the true and official representative with authority to sign the Offering Documents and the other documents executed in connection herewith and bind the Company accordingly, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Note, the Warrant and the Registration Rights Agreement, each of such instruments will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

3 . 3 Capitalization. As of the December 17, 2014, the authorized capital stock of the Company consists of 45,000,000 shares of Common Stock, of which 7,240,333 shares are issued and outstanding. All of such outstanding shares of capital stock are duly authorized, validly issued, fully paid and non-assessable. No shares of capital stock of the Company are subject to preemptive rights or any other similar rights of the stockholders of the Company or any liens or encumbrances imposed through the actions or failure to act of the Company. As of the date of this Agreement, except as set forth in the SEC Documents (as hereinafter defined) (i) there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any shares of capital stock of the Company or any of its subsidiaries, or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its subsidiaries, (ii) there are no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of its or their securities under the Securities Act and (iii) there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) that will be triggered by the issuance of the Note, the Warrant or the Conversion Shares.

3 . 4 Issuance of Shares. The Conversion Shares are duly authorized and reserved for issuance and, upon conversion of the Note and the Warrant in accordance with its respective terms, will be validly issued, fully paid and non-assessable, and 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 stockholders of the Company and will not impose personal liability upon the holder thereof.

3 . 5 Acknowledgment of Dilution. The Company understands and acknowledges the potentially dilutive effect to the Common Stock upon the issuance of the Conversion Shares upon conversion of the Note and/or the exercise of the Warrant. The Company further acknowledges that its obligation to issue Conversion Shares upon conversion of the Note and or the exercise of the Warrant in accordance with their respective terms is absolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other stockholders of the Company.

3.6 No Conflicts. The execution, delivery and performance of the Offering Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance and reservation for issuance of the Conversion Shares) will not (i) conflict with or result in a violation of any provision of the Certificate of Incorporation or By-laws, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, note, indenture, patent, patent license or instrument to which the Company or any of its subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). Neither the Company nor any of its subsidiaries is in violation of its Certificate of Incorporation, By-laws or other organizational documents and neither the Company nor any of its Subsidiaries is in default (and no event has occurred which with notice or lapse of time or both could put the Company or any of its subsidiaries in default) under, and neither the Company nor any of its subsidiaries has taken any action or failed to take any action that would give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, note, indenture or instrument to which the Company or any of its subsidiaries is a party or by which any property or assets of the Company or any of its subsidiaries is bound or affected, except for possible defaults as would not, individually or in the aggregate, have a Material Adverse Effect. The businesses of the Company and its subsidiaries, if any, are not being conducted, and shall not be conducted so long as the Subscriber owns any of the Securities, in violation of any law, ordinance or regulation of any governmental entity. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable state securities laws, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court, governmental agency, regulatory agency, self regulatory organization or stock market or any third party in order for it to execute, deliver or perform any of its obligations under the Offering Documents in accordance with the terms hereof or thereof or to issue and sell the Note and the Warrant in accordance with the terms hereof and to issue the Conversion Shares upon conversion of the Note and or the exercise of the Warrant. All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof. The Company is not in violation of the continued listing requirements of The Nasdaq Stock Market and does not reasonably anticipate that the Common Stock will be delisted from The Nasdaq Stock Market in the foreseeable future. The Company and its subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

3.6 SEC Documents: Financial Statements. The Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “**1934 Act**”) (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the “**SEC Documents**”). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for such statements as have been amended or updated in subsequent filings prior the date hereof). As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved and fairly present in all material respects the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the financial statements of the Company included in the SEC Documents, the Company has no liabilities, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to September 30, 2014, and (ii) obligations under contracts and commitments incurred in the ordinary course of business and not required under generally accepted accounting principles to be reflected in such financial statements, which, individually or in the aggregate, are not material to the financial condition or operating results of the Company. The Company is subject to the reporting requirements of the 1934 Act.

3.7 Absence of Certain Changes. Since September 30, 2014, there has been no material adverse change and no material adverse development in the assets, liabilities, business, properties, operations, financial condition, results of operations, prospects or 1934 Act reporting status of the Company or any of its subsidiaries.

3.8 Absence of Litigation. Except as set forth in the SEC Documents, there is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its subsidiaries, threatened against or affecting the Company or any of its subsidiaries, or their officers or directors in their capacity as such, that could have a Material Adverse Effect. The Company and its subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

3.9 Patents, Copyrights, etc. The Company and each of its subsidiaries owns or possesses the requisite licenses or rights to use all patents, patent applications, patent rights, inventions, know-how, trade secrets, trademarks, trademark applications, service marks, service names, trade names and copyrights (“**Intellectual Property**”) necessary to enable it to conduct its business as now operated (and, as presently contemplated to be operated in the future); there is no claim or action by any person pertaining to, or proceeding pending, or to the Company’s knowledge threatened, which challenges the right of the Company or of a subsidiary with respect to any Intellectual Property necessary to enable it to conduct its business as now operated (and, as presently contemplated to be operated in the future); to the best of the Company’s knowledge, the Company’s or its subsidiaries’ current and intended products, services and processes do not infringe on any Intellectual Property or other rights held by any person; and the Company is unaware of any facts or circumstances which might give rise to any of the foregoing. The Company and each of its subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of their Intellectual Property.

3.10 No Materially Adverse Contracts, Etc. Neither the Company nor any of its subsidiaries is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Company’s officers has or is expected in the future to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries is a party to any contract or agreement which in the judgment of the Company’s officers has or is expected to have a Material Adverse Effect. No prior approval is required by the Company from any third party, including but not limited to any lender, to enter into the Offering Documents and perform its respective obligations thereunder.

3.11 Tax Status. The Company and each of its subsidiaries has made or filed all federal, state and foreign income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject (unless and only to the extent that the Company and each of its subsidiaries has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) and has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim. The Company has not executed a waiver with respect to the statute of limitations relating to the assessment or collection of any foreign, federal, state or local tax. None of the Company’s tax returns is presently being audited by any taxing authority.

3.12 Certain Transactions. Except for arm’s length transactions pursuant to which the Company or any of its subsidiaries makes payments in the ordinary course of business upon terms no less favorable than the Company or any of its subsidiaries could obtain from third parties and other than the grant of stock options disclosed in the SEC Documents, none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company or any of its subsidiaries (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

3.13 Disclosure. All information relating to or concerning the Company or any of its subsidiaries set forth in this Agreement and provided to the Subscriber pursuant to Section 2.3 hereof and otherwise in connection with the transactions contemplated hereby is true and correct in all material respects and the Company has not omitted to state any material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or exists with respect to the Company or any of its subsidiaries or its or their business, properties, prospects, operations or financial conditions, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed (assuming for this purpose that the Company's reports filed under the 1934 Act are being incorporated into an effective registration statement filed by the Company under the Securities Act).

3.14 Permits: Compliance. The Company and each of its subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate its properties and to carry on its business as it is now being conducted (collectively, the "**Company Permits**"), and there is no action pending or, to the knowledge of the Company, threatened regarding suspension or cancellation of any of the Company Permits. Neither the Company nor any of its subsidiaries is in conflict with, or in default or violation of, any of the Company Permits, except for any such conflicts, defaults or violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Since September 30, 2014, neither the Company nor any of its subsidiaries has received any notification with respect to possible conflicts, defaults or violations of applicable laws, except for notices relating to possible conflicts, defaults or violations, which conflicts, defaults or violations would not have a Material Adverse Effect.

3.15 Environmental Matters.

3.15.1 There are, to the Company's knowledge, with respect to the Company or any of its subsidiaries or any predecessor of the Company, no past or present violations of Environmental Laws (as defined below), releases of any material into the environment, actions, activities, circumstances, conditions, events, incidents, or contractual obligations which may give rise to any common law environmental liability or any liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or similar federal, state, local or foreign laws and neither the Company nor any of its subsidiaries has received any notice with respect to any of the foregoing, nor is any action pending or, to the Company's knowledge, threatened in connection with any of the foregoing. The term "**Environmental Laws**" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "**Hazardous Materials**") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.



3.15.2 Other than those that are or were stored, used or disposed of in compliance with applicable law, no Hazardous Materials are contained on or about any real property currently owned, leased or used by the Company or any of its subsidiaries, and no Hazardous Materials were released on or about any real property previously owned, leased or used by the Company or any of its subsidiaries during the period the property was owned, leased or used by the Company or any of its Subsidiaries, except in the normal course of the Company's or any of its subsidiaries' business.

3.16 Internal Accounting Controls. The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient, in the judgment of the Company's board of directors, to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.17 Foreign Corrupt Practices. Neither the Company, nor any of its subsidiaries, nor any director, officer, agent, employee or other person acting on behalf of the Company or any subsidiary has, in the course of his actions for, or on behalf of, the Company, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

3.18 Solvency. The Company (after giving effect to the transactions contemplated by this Agreement) is solvent (i.e., its assets have a fair market value in excess of the amount required to pay its probable liabilities on its existing debts as they become absolute and matured) and currently the Company has no information that would lead it to reasonably conclude that the Company would not, after giving effect to the transaction contemplated by this Agreement, have the ability to, nor does it intend to take any action that would impair its ability to, pay its debts from time to time incurred in connection therewith as such debts mature. The Company did not receive a qualified opinion from its auditors with respect to its most recent fiscal year end and, after giving effect to the transactions contemplated by this Agreement, does not anticipate or know of any basis upon which its auditors might issue a qualified opinion in respect of its current fiscal year.

3.19 Breach of Representations and Warranties by the Company. If the Company breaches any of the representations or warranties set forth in this Section 3, and in addition to any other remedies available to the Subscriber pursuant to this Agreement, it will be considered an Event of Default under Section 3 of the Note.

4. **Covenants.**

4.1 **Form D: Blue Sky Laws.** If required, the Company agrees to file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to the Subscriber promptly after such filing. The Company shall, on or before the sale of the Securities, take such action as the Company shall reasonably determine is necessary to qualify the Securities for sale to the Subscriber at the applicable closing pursuant to this Agreement under applicable securities or “blue sky” laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence of any such action so taken to the Subscriber on or prior to the closing date.

4.2 **Listing.** The Company shall promptly secure the listing of the Conversion Shares upon The Nasdaq Stock Market and, so long as the Subscriber owns any of the Securities, shall maintain such listing of all Conversion Shares from time to time issuable upon conversion of the Note and/or the exercise of the Warrant. So long as the Subscriber owns any of the Securities, including the Conversion Shares, the Company shall maintain the listing of its Common Stock on The Nasdaq Stock Market and will comply in all respects with the Company’s reporting, filing and other obligations under the bylaws or rules thereof.

4.3 **Corporate Existence.** So long as the Subscriber beneficially owns the Note, the Warrant or the Conversion Shares, the Company shall maintain its corporate existence and shall not sell all or substantially all of the Company’s assets, except in the event of a merger or consolidation or sale of all or substantially all of the Company’s assets, where the surviving or successor entity in such transaction (i) assumes the Company’s obligations hereunder and under the agreements and instruments entered into in connection herewith and (ii) is a publicly traded corporation whose common stock is listed for trading on a recognized securities exchange.

4.4 **No Integration.** The Company shall not make any offers or sales of any security (other than the Securities) under circumstances that would require registration of the Securities being offered or sold hereunder under the Securities Act or cause the Offering of the Securities to be integrated with any other offering of securities by the Company for the purpose of any stockholder approval provision applicable to the Company or its securities.

4.5 **Breach of Covenants.** If the Company breaches any of the covenants set forth in this Section 4, and in addition to any other remedies available to the Subscriber pursuant to this Agreement, it will be considered an event of default under Section 3 of the Note.

4.6 **Failure to Comply with the 1934 Act.** So long as the Subscriber beneficially owns the Note, the Warrant or the Conversion Shares, the Company shall timely comply with the reporting requirements of the 1934 Act; and the Company shall continue to be subject to the reporting requirements of the 1934 Act.

4.7 Subscriber No-Short Covenant. In consideration of the agreement by the Company to offer and sell the Securities, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Subscriber agrees that it will not offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any Securities, or any options or warrants to purchase any Securities, or any securities convertible into, exchangeable for or that represent the right to receive any Securities, whether now owned or hereinafter acquired, owned directly by the Subscriber (including holding as a custodian) or with respect to which the Subscriber has beneficial ownership, as such term is used in Rule 13d-3 of the 1934 Act. The foregoing restriction is expressly agreed to preclude the Subscriber from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Securities even if such Securities would be disposed of by someone other than the Subscriber. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Securities or with respect to any security that includes, relates to, or derives any significant part of its value from the Securities.

**Section 5. Miscellaneous.**

5.1 Any notice or other communication required, permitted or provided for hereunder (each, a “**Notice**”) shall be effective as between the parties only if given in writing and sent by (a) personal delivery, (b) registered or certified mail (return receipt requested); or (c) express delivery service, to the Company at 7621 Little Avenue, Suite 414, Charlotte, NC 28226, and to the Subscriber at the address set forth on the Signature Page to this Agreement. Notice shall be deemed to have been duly given and received (i) if personally delivered, on the date of such delivery, (ii) if mailed, on the date set forth on the return receipt, or (iii) if delivered by express delivery, on the date of such delivery (as evidenced by the receipt provided to the express delivery service). If Notice cannot be delivered because of a changed address of which no Notice was given, or the refusal to accept delivery, the Notice shall be deemed received on the date it is sent (as evidenced by the affidavit of the sender).

5.2 Secretary’s Certificate. The Company shall deliver to the Subscriber, a secretary’s certificate, dated as of the each Closing Date, as to (i) the resolutions adopted by the Board of Directors approving the transactions contemplated hereby, (ii) the Company’s Articles of Incorporation, (iii) the Bylaws, each as in effect at such Closing, and (iv) the authority and incumbency of the officers of the Company executing the Transaction Documents and any other documents required to be executed or delivered in connection therewith

5.3 Officer’s Certificate. On each Closing Date, the Company shall have delivered to the Subscriber a certificate signed by an executive officer on behalf of the Company, dated as of such first Closing Date, confirming the accuracy of the Company’s representations, warranties, and covenants as of such Closing Date, setting forth the amount of fees and total interest it believes are included as part of the issuance of the Notes and that, based on the foregoing the Company does not have reason to believe that the Notes and Warrants are unenforceable for any reason.

5.4 This Subscription Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, legal representatives, successors and assigns. The Offering Documents set forth the entire agreements and understandings between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of any and every nature among them.

5.5 NOTWITHSTANDING THE PLACE WHERE THIS SUBSCRIPTION AGREEMENT MAY BE EXECUTED BY ANY OF THE PARTIES HERETO, THE COMPANY AND SUBSCRIBER HEREBY: (A) AGREE THAT ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS SUBSCRIPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF, AND (B) ALL LEGAL PROCEEDINGS CONCERNING THE INTERPRETATION, ENFORCEMENT AND DEFENSE OF THIS SUBSCRIPTION AGREEMENT SHALL BE COMMENCED IN THE STATE OR FEDERAL COURTS OF STATE OF NEW YORK, COUNTY OF NEW YORK (THE "COURTS"), (C) IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF THIS SUBSCRIPTION AGREEMENT); (D) IRREVOCABLY WAIVE AND AGREE NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY OF SUCH COURTS, OR THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER; (E) IRREVOCABLY WAIVE PERSONAL SERVICE OF PROCESS AND CONSENTS TO PROCESS BEING SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING BY MAILING A COPY THEREOF VIA REGISTERED OR CERTIFIED MAIL OR OVERNIGHT DELIVERY (WITH EVIDENCE OF DELIVERY) TO THE OTHER AT THE ADDRESS IN EFFECT FOR NOTICES TO IT UNDER THIS SUBSCRIPTION AGREEMENT AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE GOOD AND SUFFICIENT SERVICE OF PROCESS AND NOTICE THEREOF (NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW); AND (F) IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

5.6 This Subscription Agreement may be executed in counterparts. Upon the execution and delivery of this Subscription Agreement by the Subscriber, this Subscription Agreement shall become a binding obligation of the Subscriber with respect to the purchase of Securities as herein provided; subject, however, to the right hereby reserved to the Company to enter into the same agreements with other subscribers and to add and/or to delete other persons as subscribers.

5.7 If any provision of this Subscription Agreement is declared by a court of competent jurisdiction to be in any way invalid, illegal or unenforceable, the balance of this Subscription Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

5.8 No term or provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party or parties to be bound thereby. It is agreed that a waiver by either party of a breach of any provision of this Subscription Agreement shall not operate, or be construed, as a waiver of any subsequent breach by that same party.

5.9 The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Subscription Agreement.

5.10 Subscriber acknowledges that the subscription made hereby is not binding upon the Company until the Company accepts it. The Company has the right to accept or reject this subscription in whole or in part in its sole and absolute discretion. If this subscription is rejected in whole, the Company shall return the Purchase Price to Subscriber, without interest, and the Company and Subscriber shall have no further obligation to each other by reason of this Subscription Agreement or the subscription made hereby. In the event of a partial rejection of this subscription, a proportionate amount of the Purchase Price will be returned to Subscriber, without interest.

5.11 Legal Fees. The Company shall reimburse legal fees to all Subscriber's counsel, Ron Levy, Esq., in an amount not to exceed \$5,000 in the aggregate.

*[Remainder of Page Intentionally Blank, Signature Page Follows]*

ATTACHMENT A: USE OF PROCEEDS

Corporate working capital	\$	750,000
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**SIGNATURE PAGE FOR INDIVIDUAL INVESTOR**

IN WITNESS WHEREOF, this Subscription Agreement has been executed by Subscriber and by the Company on the respective dates set forth below.

\_\_\_\_\_  
Signature  
Name \_\_\_\_\_  
Please Print  
Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone # \_\_\_\_\_  
Fax # \_\_\_\_\_  
Email: \_\_\_\_\_  
Social Security # \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Signature (If Securities Purchased Jointly)  
Name \_\_\_\_\_  
Please Print  
Address \_\_\_\_\_  
\_\_\_\_\_  
Telephone # \_\_\_\_\_  
Fax # \_\_\_\_\_  
Email: \_\_\_\_\_  
Social Security # \_\_\_\_\_  
Date: \_\_\_\_\_

Number of Units (each Unit consisting of 8% convertible note with principal amount of \$50,000 and 12,500 shares of common stock warrants) Subscribed For: \_\_\_\_\_

Purchase Price: \$ \_\_\_\_\_

Form of joint ownership of Securities (if applicable):     JTEN     JTWROS     JTTIC

Exact Name in Which Securities are to be Registered: \_\_\_\_\_

**Subscription Accepted:**

**CHANTICLEER HOLDINGS, INC.**

**By:** \_\_\_\_\_  
**Name:** Michael D. Pruitt  
**Title:** President/CEO

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

**THE COMPANY RESERVES THE RIGHT TO REFUSE TO ACCEPT ANY  
SUBSCRIPTION, IN WHOLE OR IN PART, FOR ANY REASON WHATSOEVER.**

**SIGNATURE PAGE FOR PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY, TRUST, OR OTHER ENTITY**

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement on the date set forth below.

\_\_\_\_\_  
Name of partnership, corporation, limited liability  
company or trust

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

Federal Tax ID Number \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

State of Organization \_\_\_\_\_

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

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

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

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

Number of Units (each Unit consisting of 8% convertible note with principal amount of \$50,000 and 12,500 shares of common stock warrants) Subscribed For:

\_\_\_\_\_

Purchase Price: \$ \_\_\_\_\_

Exact Name in Which Securities are to be Registered: \_\_\_\_\_

**Subscription Accepted:**

**CHANTICLEER HOLDINGS, INC.**

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

Name: Michael D. Pruitt

Title: President / CEO

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

**THE COMPANY RESERVES THE RIGHT TO REFUSE TO ACCEPT ANY  
SUBSCRIPTION, IN WHOLE OR IN PART, FOR ANY REASON WHATSOEVER.**



**SPECIAL SUBSCRIPTION INSTRUCTIONS FOR CORPORATE, PARTNERSHIP,  
LIMITED LIABILITY COMPANY, TRUST, OTHER ENTITY, AND JOINT  
PURCHASERS**

If Subscriber is a corporation, partnership, limited liability company, trust, or other entity or joint purchaser, the following additional instructions must be followed. INFORMATION ADDITIONAL TO THAT REQUESTED BELOW MAY ALSO BE REQUIRED BY THE COMPANY IN SOME CASES.

1. Certificate. Subscriber must date and sign the Certificate below, and, if requested by the Company, Subscriber may also be required to provide a copy of (a) the corporation's articles of incorporation, bylaws and authorizing resolution, (b) the partnership agreement, (c) the limited liability company's certificate of formation or articles of organization, as applicable, and limited liability company agreement, operating agreement or similar agreement governing the rights and obligations of the members of the limited liability company, or (d) the trust agreement or other governing documents, as applicable.

2. Subscription Agreement.

( a ) Corporations. An authorized officer of the corporation must date, sign, and complete the Subscription Agreement with information concerning the corporation. The officer should print the name of the corporation above his signature, and print his name and office below his signature.

( b ) Partnerships. An authorized partner must date, sign, and complete the Subscription Agreement with information concerning the partnership. The partner should print the name of the partnership above his signature, and print his name and the words "general partner" below his signature.

( c ) Limited Liability Companies. An authorized member or manager must date, sign, and complete the Subscription Agreement with information concerning the limited liability company. The member or manager should print the name of the limited liability company above his signature, and print his name and the word "member" or "manager" below his signature.

( d ) Trusts. In the case of a trust, the authorized trustee should date, sign, and complete the Subscription Agreement with information concerning the trust. The trustee should print the name of the trust above his signature, and print his name and the word "trustee" below his signature. In addition, an authorized trustee should also provide information requested in the Subscription Agreement as it pertains to him as an individual.

( e ) Joint Ownership. In all cases, each individual must date, sign, and complete the Subscription Agreement. Joint investors must state if they are purchasing the Securities as joint tenants with the right of survivorship, tenants in common, or community property, and each must execute the Subscription Agreement signature page.

**CERTIFICATE FOR CORPORATE, PARTNERSHIP,  
LIMITED LIABILITY COMPANY, TRUST, OR OTHER ENTITY**

If Subscriber is a corporation, partnership, limited liability company, trust, or other entity, an authorized officer, partner, member, manager or trustee must complete, date and sign this Certificate.

**CERTIFICATE**

I hereby certify that:

1. Subscriber has been duly formed, is validly existing and in good standing, and has full power and authority to purchase the Securities and make an investment in Chanticleer Holdings, Inc.
2. The Subscription Agreement has been duly and validly authorized, executed, and delivered by Subscriber and constitutes the valid, binding, and enforceable obligation of Subscriber.

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

\_\_\_\_\_  
Name of corporation, partnership, limited liability company, trust or other entity  
(please print)

\_\_\_\_\_  
Signature and title of authorized officer, partner, member, manager, trustee, or  
other entity

ACCREDITED INVESTOR QUESTIONNAIRE

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**\*\*ALL INFORMATION WILL BE HELD IN STRICTEST CONFIDENCE\*\***

**INSTRUCTIONS TO THE PROSPECTIVE INVESTOR:** This Questionnaire is being sent to each prospective investor that has indicated an interest in purchasing Securities of Chanticleer Holdings, Inc. (the “**Company**”). The purpose of this Questionnaire is to assure the Company that each prospective subscriber to its Securities (“**Subscriber**”) will meet the standards imposed by Regulation D, promulgated under the Securities Act of 1933, and similar exemptions provided by the applicable state securities laws and regulations promulgated there under (the “**Securities Laws**”). Since the Securities will not be registered, each subscriber must complete the following Questionnaire.

The information provided will be used to determine whether the prospective purchaser’s Subscription Agreement to purchase Securities will be accepted by the Company in light of the requirements of Securities Laws. In subscribing for Securities and furnishing the information requested in this Questionnaire, the Subscriber understands that the Company will rely on the information provided herein for purposes of such determinations. The Subscriber understands that a false representation may constitute a violation of law and that any person who suffers damage as a result of a false representation may have a claim against the Subscriber for damages.

The information provided herein by Subscribers will be kept confidential. However, by signing this Questionnaire, the Subscriber agrees that the Company may present the completed document to such parties as it deems appropriate if called upon to establish the availability under any Securities Laws.

In accordance with the foregoing, the following representations are hereby made and the following information is furnished by the undersigned subscriber.

**PART A. GENERAL INFORMATION**

NAME(S) OF PROSPECTIVE SUBSCRIBER(S): \_\_\_\_\_

Social Security Number or Tax I.D. No.: \_\_\_\_\_

PART B. INVESTOR INFORMATION

1. Please review this checklist and check each box that is applicable:

**YOU MUST BE ABLE TO CHECK OFF AT LEAST ONE OF THE BOXES BELOW IN ORDER TO PURCHASE SECURITIES.**

- The undersigned is a natural person who had individual income of more than \$200,000 in each of the most recent two years or joint income with his or her spouse in excess of \$300,000 in each of the most recent two years and reasonably expects to reach that same income level for this year; "*income*", for purposes hereof, should be computed as follows: individual adjusted gross income, as reported (or to be reported) on a federal income tax return, increased by (a) any deduction of long-term capital gains under section 1202 of the Internal Revenue Code of 1986 (the "*Code*"), (b) any deduction for depletion under Section 611 et seq. of the Code, (c) any exclusion for interest under Section 103 of the Code and (d) any losses of a partnership as reported on Schedule E of Form 1040;
- The undersigned is a natural person whose individual net worth (i.e., total assets in excess of total liabilities), or joint net worth with his or her spouse, excluding the undersigned's primary residence, will at the time of purchase of the Securities be in excess of \$1,000,000;
- The undersigned is a corporation, Massachusetts or similar business trust, partnership, or limited liability company, or an organization described in Section 501(c)(3) of the Internal Revenue Code, not formed for the specific purpose of acquiring the Securities, with total assets in excess of \$5,000,000;
- The undersigned is a trust (other than a revocable grantor trust), which trust has total assets in excess of \$5,000,000, which is not formed for the specific purpose of acquiring the Securities offered hereby and whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D and who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the risks and merits of an investment in the Common Securities;
- The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, and either: (a) the investment decision will be made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, insurance company, or a registered investment adviser; or (b) the employee benefit plan has total assets in excess of \$5,000,000; or (c) the employee benefit plan is a self-directed plan, including an Individual Retirement Account, within the meaning of Title I of such act, and the person directing the purchase is an Accredited Investor\*\*;  
**\*\*NOTE:** If the undersigned is relying solely on this item for its Accredited Investor status, please print the name of the person directing the purchase in the following space and furnish a completed and signed Accredited Investor Certification for such person.
- The undersigned is an investor otherwise satisfying the requirements of Section 501(a)(1), (2) or (3) of Regulation D promulgated under the 1933 Act, which includes, but is not limited to, a self-directed employee benefit plan where investment decisions are made solely by persons who are "accredited investors" as otherwise defined in Regulation D;
- The undersigned is a member of the Board of Directors or an executive officer of the Company; or
- The undersigned is an entity (including an IRA or revocable grantor trust but other than a conventional trust) in which all of the equity owners meet the requirements of at least one of the above subparagraphs.

2. (a) Do you, or in the case of an entity, management, by reason of prior business or financial expense, have the capacity to protect yours or its own interest in connection with an investment in the Securities?  
Yes \_\_\_\_\_ No \_\_\_\_\_
- (b) Do you have substantial experience in evaluating and investing in private placement transactions of securities in entities similar to the Company so that you are capable of evaluating the merits and risks of an investment in the Securities?  
Yes \_\_\_\_\_ No \_\_\_\_\_
3. Have you purchased the Securities for investment purposes and not with a view toward resale or distribution, and will, prior to any sale or attempted sale of any of the Securities, comply with all requirements of the state and federal securities acts?  
Yes \_\_\_\_\_ No \_\_\_\_\_
4. Do you understand that Securities cannot be readily sold because there will be no public market for them, that the Securities are not suitable for any investor unless that investor has available personal liquid assets to provide for financial contingencies and that a condition to any sale would be the registration of such interests or the availability of an exception to such registration requirements?  
Yes \_\_\_\_\_ No \_\_\_\_\_
5. Is your principal investment objective to secure an economic profit, determined without regard to any tax benefits which you may receive?  
Yes \_\_\_\_\_ No \_\_\_\_\_
6. Do you understand that the Securities encompass substantial risks?  
Yes \_\_\_\_\_ No \_\_\_\_\_
7. Do you acknowledge that no independent due diligence has been undertaken except for that performed by yourself and your purchaser representative, if applicable?  
Yes \_\_\_\_\_ No \_\_\_\_\_
8. Do you understand that no attorney-client relationship has arisen in connection with this offering between any prospective Subscriber and counsel to the Company or between any prospective Subscriber and counsel to any other investor?  
Yes \_\_\_\_\_ No \_\_\_\_\_
9. (a) Do you plan to use a "Purchaser Representative" to assist you in analyzing this investment?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If "Yes", please provide Purchaser Representative's name and address:

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(b) If “No”, do you have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of this investment?

Yes \_\_\_\_\_ No \_\_\_\_\_

**I REPRESENT THAT THE ABOVE INFORMATION IS CORRECT. I HEREBY AUTHORIZE THE COMPANY TO VERIFY SUCH INFORMATION WITH MY ATTORNEY, BANKER, ACCOUNTANT OR OTHER ADVISORS(S).**

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

\_\_\_\_\_  
Subscriber's Signature

\_\_\_\_\_  
Subscriber's Signature

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE 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 AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH MUST BE REASONABLY ACCEPTABLE TO THE COMPANY.

Original Issue Date: January \_\_, 2015

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

### 8% CONVERTIBLE NOTE

THIS 8% CONVERTIBLE NOTE is a duly authorized and validly issued 8% Convertible Note of Chanticleer Holdings, Inc., a Delaware corporation, having its principal place of business at 7621 Little Avenue, Suite 414, Charlotte, North Carolina 28226 (the "Company"), designated as its 8% Convertible Note (the "Note").

FOR VALUE RECEIVED, the Company promises to pay to \_\_\_\_\_, (the "Holder"), or Holder's assigns, the principal sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) on or before January \_\_, 2018, unless the Holder exercises its early prepayment option as set forth in Section 6(a) of this Note (the "Maturity Date"), to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Note at the non-compounded rate of eight percent (8%) per annum, payable quarterly in arrears beginning on March 31, 2015 and continuing thereafter until the Maturity Date. Interest shall be calculated on the basis of a 360-day year and shall accrue daily commencing on the Original Issue Date until payment in full of the principal sum, together with all accrued and unpaid interest, and other amounts, which may become due hereunder, has been made. The Company shall not be required to make any principal or interest payments until the date that is one hundred and eighty (180) days from the Original Issue Date. Interest hereunder will be paid to the Person in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note (the "2014 Note Register"). On and after June 30, 2015, at the Company's discretion, each payment of principal and/or interest may be paid in cash or in kind at the Conversion Price (by an increase in the principal amount payable equal to the interest due); provided, however a payment in kind may only be made if and to the extent that (A) there is an effective registration statement permitting the resale of the Conversion Shares and Warrant Shares, pursuant to the terms of the Registration Rights Agreement or (B) the Conversion Shares and Warrant Shares are eligible for resale without volume or manner-of-sale limitations pursuant to Rule 144, with the Company bearing all costs of the aforementioned sales (e.g., legal and transfer agent expenses). Interest shall cease to accrue with respect to any principal amount converted or paid. This Note is being issued to the Holder pursuant to the terms and conditions of that certain Subscription Agreement of even date herewith by and between the Company and the Holder (the "Subscription Agreement"). All terms not otherwise defined herein shall have the same meaning as in the Subscription Agreement.

This Note is subject to the following additional provisions:

1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Note, the following terms shall have the following meanings:

“Bankruptcy Event” means any of the following events: (a) the Company or any subsidiary commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any subsidiary thereof; (b) there is commenced against the Company or any subsidiary thereof any such case or proceeding that is not dismissed within 60 days after commencement; (c) the Company or any subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered; (d) the Company or any subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 60 calendar days after such appointment; or (e) the Company or any subsidiary thereof makes a general assignment for the benefit of creditors.

“Business Day” means any day except Saturday, Sunday, any day which shall be a federal legal holiday in the United States or any day on which banking institutions in the State of Delaware are authorized or required by law or other governmental action to close.

“Common Stock” means the common stock, par value \$0.0001 per share, of the Company.

“Common Stock Equivalent” means any securities of the Company entitling the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Conversion Price” means the lesser of \$2.00 per share of Common Stock and the Variable Conversion Price, provided however, that the Conversion Price shall not be lower than the Floor Conversion Price.

“Floor Conversion Price” means \$1.00 per share of Common Stock; provided, however, that in the event the Company (i) subdivides its outstanding Common Stock into a greater number of shares, or (ii) combines its outstanding Common Stock into a lesser number of shares, or (iii) increases or decreases the number of shares of outstanding Common Stock by reclassification of its Common Stock, then the Floor Conversion Price on the date of such division or distribution of the effective date of such action shall be adjusted by multiplying the Floor Conversion Price by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately before such event and the denominator of which is the number of shares of Common Stock outstanding immediately after such event.



“Indebtedness” shall mean as to any person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money, (ii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility, (iii) reimbursement obligations under any letter of credit, currency swap agreement, interest rate swap, cap, collar or floor agreement or other interest rate management device, (iv) any other transaction (including, without limitation, forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note), or (v) any guaranty of Indebtedness for borrowed money.

“Market Price” means the average of the lowest three (3) Trading Prices for the Common Stock during the ten (10) Trading Day period ending on the last complete Trading Day prior to the Conversion Date.

“Notice of Conversion” means a notice in the form of Attachment A.

“Original Issue Date” means the date of the first issuance of this Note, regardless of any transfers of this Note and regardless of the number of instruments which may be issued to evidence such Note.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Registration Rights Agreement” shall mean the Registration Rights Agreement of even date herewith by and between the Company and the Holder pursuant to which the Company is obligated to register the resale of the shares of Common Stock issuable upon the conversion of this Note or otherwise pursuant to its terms.

“SEC” means U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Subscription Agreement” means that certain subscription agreement entered into by the Company and the Holder with respect to the Holders’ purchase of Note from the Company.

“Trading Day” means a day on which the principal market or exchange, on which the Common Stock is listed or quoted for trading, is open (e.g. The Nasdaq Stock Market, the NYSE AMEX Equities Exchange, the New York Stock Exchange, the OTC Bulletin Board or the OTC Markets, etc.).

“Trading Price” means the closing bid price of the Common Stock on The Nasdaq Stock Exchange or if The Nasdaq Stock Exchange is not the principal trading market for such security, the closing bid price of the Common Stock on the principal securities exchange or trading market where the Company Stock is listed or traded or, if no closing bid price of the Common Stock is available in any of the foregoing manners, the average of the closing bid prices of any market makers for the Common Stock on the OTC Markets.

“Variable Conversion Price” means 85% multiplied by the Market Price (representing a discount rate of 15%).

2. Conversion of Outstanding Balance.

(a) The Holder shall have the right from time to time, and at any time during the period beginning on the date which is one hundred eighty (180) days following the date of this Note and ending on the later of: (i) the Maturity Date and (ii) the date of payment of the Note, each in respect of the remaining outstanding principal amount of this Note plus all accrued and unpaid interest 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 Original Issuance Date, or any shares of capital stock or other securities of the Company into which such Common Stock shall hereafter be changed or reclassified at the Conversion Price. 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 Company by the Holder in accordance with this Note; 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 Company before 6:00 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.

( b ) Mechanism to Effect Conversions. The Holder may convert this Note in whole or in part at any time and from time to time after the Original Issuance Date by delivering to the Company, via e-mail or a nationally recognized overnight courier service, a fully completed Notice of Conversion. To effect conversion(s) hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire principal amount of this Note, plus all accrued and unpaid interest thereon, has been so converted. Conversion(s) hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable conversion(s). The Company shall maintain records showing the amount(s) converted and the date of such conversion(s). 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 amount of this Note may be less than the amount stated on the face hereof.

( c ) Delivery of Common Stock Upon Conversion. Upon receipt by the Company from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion, the Company shall, at its sole expense, 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”) in accordance with the terms hereof and the Subscription Agreement.

(d) Obligation of Company to Deliver Common Stock. Upon receipt by the Company 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 Company defaults on its obligations under this Section 2, 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 Company'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 Company 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 Company, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with such conversion.

(e) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Company is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder the Company shall use its 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 Agent Commission ("DWAC") system.

(f) Failure to Deliver Common Stock Prior to 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, the Company shall pay to the Holder \$2,000 per day in cash, for each day beyond the Deadline that the Company fails to deliver such Common Stock. 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 Company 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 and be due on demand, 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 Company 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 2 are justified.

(g) Concerning the Shares. The registration rights for the shares of Common Stock issuable upon conversion of this Note are set forth in the Registration Rights Agreement. 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 Securities Act, or (ii) the Company 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 Securities Act (or a successor rule) ("Rule 144") or (iv) such shares are transferred to an "affiliate" (as defined in Rule 144) of the Holder who agrees to sell or otherwise transfer the shares only in accordance with this Section 2 and who is an accredited investor (as defined in the Subscription Agreement). Until such time as the shares of Common Stock issuable upon conversion of this Note have been registered under the Securities 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 Company shall issue to the Holder a new certificate therefore free of any transfer legend if (i) the Company 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 Securities Act, which opinion shall be accepted by the Company 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 Securities 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.

( h ) Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance under this Section 2, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder, not less than such aggregate number of shares of the Common Stock as shall be issuable from time to time under this Section 2 (taking into account the adjustments of Section 3). The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

( i ) Fractional Shares. Upon a conversion hereunder the Company shall not be required to issue stock certificates representing fractions of shares of Common Stock, but may if otherwise permitted, issue, in lieu of the final fraction of a share, one (1) whole share of Common Stock.

( j ) Transfer Taxes. The Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any certificate(s) upon conversion in a name other than that of the Holder of this Note and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. .

3. Certain Adjustments.

( a ) Adjustment Due to Merger, Consolidation, Etc. If, at any time when all or any portion of this Note is outstanding, 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 Company shall be changed into the same or a different number of shares of another class or classes of stock or securities of the Company or another entity, or in case of any sale or conveyance of all or substantially all of the assets of the Company other than in connection with a plan of complete liquidation of the Company, 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, and 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 shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Company shall not affect any transaction described in this Section 3(a) unless (a) it first gives, to the extent practicable, thirty (30) Business Days prior written notice (but in any event at least fifteen (15) Business Days prior written notice) of the record date of the meeting of stockholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, 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 Company) assumes by written instrument the obligations of this Section 3(a). These provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

( b ) Adjustment Due to Distribution. If the Company 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 Company'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.

(c) Notice of Adjustment. While this Note is outstanding, should the Company propose to take any action set forth in Section 3, the Company shall send to each Holder a notice of such proposed action or offer. Such notice shall be mailed to the Holders, and shall specify the record date for the proposed event, shall briefly indicate the effect of the proposed event on the securities or property issuable upon the conversion of the Note , and shall indicate the effect of the proposed event, if any, on the Conversion Price (after giving effect to any adjustment pursuant to Section 2).

4. Events of Default. "Event of Default" means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(a) The Company fails to pay the principal hereof or interest thereon when due on this Note, whether at the Maturity Date, upon acceleration or otherwise.

(b) The Company (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, (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, or (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.

(c) The Company breaches any material covenant or other material term or condition contained in this Note and any collateral documents including but not limited to the Subscription Agreement and the Registration Rights Agreement, and such breach continues for a period of ten (10) days after written notice thereof to the Company from the Holder.

(d) Any representation or warranty of the Company made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Subscription 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 Subscription Agreement.

(e) The Company shall be subject to a Bankruptcy Event.

(f) The Company defaults under, or repays, redeems or is forced to redeem or repay (whether by acceleration or otherwise), any portion of the notes issued by the Company to seven individual accredited investors on August 2, 2013 in the initial principal amount of \$3,000,000.

5. Remedies Upon Event of Default. If any Event of Default occurs, the outstanding principal amount of this Note plus accrued but unpaid interest, shall become, at the Holder's election, immediately due and payable in cash. Upon the occurrence and during the continuation of an Event of Default (after the tolling of all applicable cure periods), the interest rate on this Note shall increase to the lesser of twenty one percent (21%) per annum or the maximum rate permitted under applicable law (the "Default Interest"). In connection with any acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind, and the Holders may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. The Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full pro rata payment according to the original investment pursuant to this Section.

6. Miscellaneous.

(a) Holder Early Prepayment Option. Notwithstanding any provision contained herein to the contrary, at any time after the one (1) year anniversary of the Original Holder may, at its sole option, demand full repayment of the remaining outstanding principal amount of this Note plus all accrued and unpaid interest upon thirty (30) days prior written notice to the Company.

(b) Prepayment. The Company may prepay any amount outstanding under this Note without penalty upon ten (10) Business Days prior notice to the Holder.

(c) Legal Fees. In the event that Holder is required to take legal or other action to enforce its rights or obtain collection under this Note, the Company shall pay the Holder hereof reasonable costs of collection, or enforcement of the terms hereof, including reasonable attorneys' fees.

( d ) Assignability. This Note shall be binding upon the Company and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. This Note is not assignable by the Company without the Holder's prior written consent.

( e ) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above, facsimile number (704) 366-2463, Attn: Chief Executive Officer or such other facsimile number or address as the Company may specify for such purpose by notice to the Holder delivered in accordance with this Section. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number or address of such Holder appearing on the books of the Company, or if no such facsimile number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date immediately following the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section or by electronic mail, receipt confirmed in each case, (ii) the second Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iii) upon actual receipt by the party to whom such notice is required to be given.

( f ) Lost or Mutilated Debenture. If this Note shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Note, or in lieu of or in substitution for a lost, stolen or destroyed Note, a new Note for the principal amount of this Note so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Note, and of the ownership hereof, reasonably satisfactory to the Company.

( g ) Governing Law: Venue. This Note shall be governed by and construed in accordance with the domestic laws of the State of New York, without giving effect to any choice or conflict of law provision or rule. The parties further: (i) agree that any legal suit, action or proceeding arising out of or relating to this Note shall be instituted exclusively in any Federal or State court of competent jurisdiction within the State of New York, County of New York, (ii) waive any objection that they may have now or hereafter to the venue of any such suit, action or proceeding, and (iii) irrevocably consent to the *in personam* jurisdiction of any Federal or State court of competent jurisdiction within the State of New York, County of New York in any such suit, action or proceeding. The parties each further agree to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in a Federal or State court of competent jurisdiction within the State of New York, County of New York, and that service of process upon the parties mailed by certified mail to their respective addresses shall be deemed in every respect effective service of process upon the parties, in any action or proceeding.



(h) Construction and Enforcement. Each party acknowledges that its legal counsel participated in the preparation of this Note and, therefore, stipulates that the rule of construction that ambiguities are to be resolved against the drafting party shall not be applied in the interpretation of this Note to favor any party against the other. This Note reflects an investment made by Holder or its assignor to the Company. **This Note is intended as, and shall be deemed an unconditional obligation of the Company for the payment of money only and, without limitation to any other remedies of Holder (such as, without limitation, summary judgment after initiation of a proceeding, or equitable remedies), shall be enforceable against the Company by summary proceeding pursuant to New York Civil Procedure Law and Rules Section 3213 or any similar rule or statute in the jurisdiction where enforcement is sought. For purposes of such rule or statute, any other document or agreement to which Holder and the Company are parties or which the Company delivered to Holder, which may be convenient or necessary to determine the Company's rights hereunder or the Company's obligations to Holder are deemed a part of this Note, whether or not such other document or agreement was delivered together herewith or was executed apart from this Note.**

(i) Maximum Payments. Nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law (such as, without limitation, the usury laws), any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company, or if no further amounts are owed by the Company to the Holder, shall be refunded to the Company. The Company hereby irrevocable consents to the reformation of this Note, as may be necessary by a court of law, so as to enable enforcement of this Note pursuant to summary judgment or summary proceeding. For avoidance of doubt, in the event that, for any reason, a finding by a court having jurisdiction over this Note is made that limits enforceability as a result of excessive interest or other origination or investment banking fees pursuant to the laws of any jurisdiction, then, such defense shall not be deemed to bar a summary proceeding or summary judgment on the Note but rather, the Note shall be fully and absolutely enforceable as to all principal and, the court having jurisdiction shall, after an inquest, have power to reform the Note so as to reduce interest amount to such amount as is immediately enforceable pursuant to summary judgment or summary proceeding and grant such award, plus any legal or enforcement fees of Holder(s).

(h) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Company or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver by the Company or the Holder must be in writing.

(i) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(j) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

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

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated

CHANTICLEER HOLDINGS, INC.

Signature: \_\_\_\_\_

Name: Michael Pruitt

Title: Chief Executive Officer

**ATTACHMENT A**

**NOTICE OF CONVERSION**

The undersigned hereby elects to convert amounts outstanding under the 8% Convertible Note of Chanticleer Holdings, Inc., a Delaware corporation (the "Company"), into shares of common stock, par value \$0.0001 per share (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the Holders for any conversion, except for such transfer taxes, if any.

Date to Effect Conversion: \_\_\_\_\_  
(if not date is set, conversion date shall be the date this notice is received)

Amount of Debenture to be Converted: \$ \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

\_\_\_\_\_

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## REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "**Agreement**") is made as of January \_\_, 2015 by and among (i) Chanticleer Holdings, Inc., a Delaware corporation (the "**Company**"), (ii) \_\_\_\_\_ (the "**Purchaser**"), and (iii) each person or entity that subsequently becomes a party to this Agreement pursuant to, and in accordance with, the provisions of Section 10 hereof (each a "**Purchaser Permitted Transferee**" and, collectively, the "**Purchaser Permitted Transferees**").

**WHEREAS**, pursuant to the terms and conditions set forth in subscription agreement (the "**Subscription Agreement**"), the Company has agreed to issue and sell (the "**Offering**") to the Purchaser, and the Purchasers have agreed to purchase from the Company units consisting of an 8% convertible note in the principal amount of \$ \_\_\_\_\_ (the "**Note**") and a common stock purchase warrant to purchase \_\_\_\_\_ shares of the Company's common stock, par value \$0.0001 per share (the "**Common Stock**") exercisable at \$2.50 per share for a period of up to five (5) years from the issuance date (the "**Warrants**") (collectively, the "**Securities**") in a private placement exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**") for an aggregate purchase price of \$ \_\_\_\_\_; and

**WHEREAS**, as partial consideration for each Purchaser's purchase of Securities in the Offering, the Company has agreed to provide each Purchaser with the registration rights set forth herein with respect to the resale of the Shares purchased by the Purchasers in the Offering; and

**NOW, THEREFORE**, in consideration of the promises and mutual covenants contained herein, the parties hereto hereby agree as follows:

1 . **DEFINITIONS.** All terms not otherwise defined herein shall have the same meaning as in the Subscription Agreement. The following terms shall have the meanings provided therefor below:

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

"**Closing**" shall have the meaning ascribed to such term in the Subscription Agreement.

"**Common Stock**" shall have the meaning ascribed to such term in the Subscription Agreement

"**Effectiveness Date**" means the date a Registration Statement is declared effective by the SEC.

"**Effectiveness Deadline**" means the date that is one hundred and fifty (150) calendar days after the final Closing Date of the Offering.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and all of the rules and regulations promulgated thereunder.

“**Filing Date**” shall mean, with respect to the Initial Registration Statement, the date sixty (60) calendar days after the final Closing of the Offering, provided, however, that if the Filing Date falls on a Saturday, Sunday or other day, that the SEC is closed for business the Filing Date shall be extended to the next Business Day.

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

“**Initial Registration Statement**” shall mean the initial Registration Statement filed pursuant to this Agreement.

“**Note**” shall have the meaning ascribed to it in the Subscription Agreement.

“**Person**” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or agency or subdivision thereof) or other entity of any kind.

“**Purchaser Permitted Transferees**” shall have the meaning ascribed to such term in the Preamble.

“**Purchasers**” shall mean, collectively, the Purchasers and the Purchaser Permitted Transferees; provided, however, that the term “Purchasers” shall not include any of the Purchasers or any of the Purchaser Permitted Transferees that do not own or hold any Registrable Securities.

“**Registrable Securities**” shall mean (i) 120% of the shares of Common Stock issuable, adjusted from time to time upon the conversion of the Note or for the payment of interest thereunder, and (ii) the shares of Common Stock issuable as may be adjusted from time to time upon the exercise of the Warrant.

“**Registration Statement**” means any one or more registration statements filed (and/or required to be filed pursuant hereto) with the SEC by the Company on Form S-3, or in the event the Company is not eligible to use Form S-3, on Form S-1, for the purpose of registering the Registrable Securities, including (in each case) the prospectus, amendments and supplements to 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 such registration statement. The term “Registration Statement” shall include, but not be limited to, the Initial Registration Statement.

“**Rule 144**” shall mean Rule 144 promulgated by the SEC pursuant to the Securities Act and any successor or substitute rule, law or provision.

“**Rule 172**” means Rule 172 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

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

“**SEC**” shall mean the United States Securities and Exchange Commission.

“**SEC Guidance**” means (i) any publicly-available written guidance, or rule of general applicability of the SEC staff, or (ii) oral or written comments, requirements or requests of the SEC staff to the Company in connection with the review of a Registration Statement.

“**Securities Act**” shall mean the Securities Act of 1933, as amended, and all of the rules and regulations promulgated thereunder.

“**Trading Day**” shall mean any day on which the Common Stock is traded for any period on The Nasdaq Stock Market, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

“**Warrant**” shall have the meaning ascribed to it in the Subscription Agreement.

## 2. MANDATORY REGISTRATION.

(a) The Company shall file an Initial Registration Statement on or prior to the Filing Date registering the Registrable Securities for resale by the Holders as selling stockholders thereunder. On or prior to the Filing Date, the Company shall prepare and file with the SEC an Initial Registration Statement for the purpose of registering under the Securities Act the resale of all, or such portion as permitted by SEC Guidance (and the Company shall use its best efforts to advocate with the SEC for the registration of all or the maximum number of the Registrable Securities as permitted by SEC Guidance) of the Registrable Securities by, and for the account of, the Holders as selling stockholders thereunder, that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. The Company shall use its best efforts to cause the Initial Registration Statement to be declared effective by the SEC under the Securities Act as promptly as practicable after the filing thereof, but in any event on or prior to the applicable Effectiveness Deadline.

(b) The Company shall be required to keep the Initial Registration Statement current and effective until such date that is the earlier of (the “**Effectiveness Period**”) (i) the date as of which all of the Holders as selling stockholders thereunder may sell all of the Registrable Securities registered for resale thereon without restriction pursuant to Rule 144, or (ii) the date when all of the Registrable Securities registered thereunder shall have been sold (such date is referred to herein as the “**Mandatory Registration Termination Date**”), or (iii) three (3) years from the effective date of the Initial Registration Statement. Thereafter, the Company shall be entitled to withdraw such Registration Statement and the Holders shall have no further right to offer or sell any of the Registrable Securities registered for resale thereon pursuant to the respective Registration Statement (or any prospectus relating thereto).

(c) Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation on the number of Registrable Securities to be registered in the Initial Registration Statement (and the Company has used its best efforts to advocate with the SEC for the registration of all or the maximum number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced on a pro rata basis among the Purchasers based on the total number of unregistered Shares held by such Purchasers on a fully diluted basis. The Company shall file a new registration statement as soon as reasonably practicable covering the resale by the Holders of not less than the number of such Registrable Securities that are not registered in the Initial Registration Statement. The Company shall not be liable for liquidated damages under Section 3(a) as to any Registrable Securities which are not permitted by the SEC to be included in a Registration Statement due solely to SEC Guidance from time to time. In such case, any liquidated damages payable under Section 3(a) shall be calculated to apply only to the percentage of Registrable Securities which are permitted in accordance with SEC Guidance to be included in such Registration Statement.

(d) If during the Effectiveness Period, the Company becomes aware that the number of Registrable Securities at any time exceeds the number of Registrable Securities then registered for resale in a Registration Statement, then the Company shall file as soon as reasonably practicable an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities that are not then registered.

### 3. PENALTIES/SUSPENSION OF A REGISTRATION STATEMENT.

(a) If: (i) the Initial Registration Statement and any other Registration Statement is not filed on or prior to the Filing Date, or (ii) the Company fails to file with the SEC a request for acceleration in accordance with Rule 461 promulgated under the Securities Act, within five (5) Business Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the SEC that the Initial Registration Statement or any other Registration Statement will not be “reviewed” or not be subject to further review, or (iii) prior to the Effectiveness Deadline of the Initial Registration Statement or any other Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the SEC in respect of such Initial Registration Statement or any other Registration Statement within ten (10) Business Days after the receipt of comments by or notice from the SEC that such amendment is required in order for such Initial Registration Statement or any other Registration Statement to be declared effective, or (iv) the Initial Registration Statement and/or any other Registration Statement covering Registrable Securities is not declared effective by the SEC by the Effectiveness Deadline, or (v) after the Effectiveness Date of the Initial Registration Statement or any other Registration Statement, other than during an Allowable Grace Period (as defined below) such Initial Registration Statement or other Registration Statement ceases for any reason to remain for any period current and effective as to all Registrable Securities included in such Initial Registration Statement or other Registration Statement, as applicable, or the Purchasers are otherwise not permitted to utilize the prospectus therein to resell such Registrable Securities (any such failure or breach being referred to as an “**Event**,” and the date such default occurs referred to as an “**Event Date**”), then, in addition to any other rights the Purchasers may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall, subject to Section 3(c), pay to each Purchaser on a monthly basis within three (3) Business Days of the end of the month either an amount in cash, as partial liquidated damages, equal to one percent (1%) of the aggregate purchase price paid by each Purchaser to purchase any Registrable Securities then held by such Purchaser (the “**Penalty**”), provided, however, that the Company, within its sole discretion, shall have the right to elect to pay the Penalty in shares of its Common Stock with each share valued at a price equal to fair market value of the shares on the date of issuance. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event.



(b) The Company shall notify each Holder by facsimile or e-mail as promptly as practicable, and in any event, within three (3) Business Days, after a Registration Statement is declared effective and shall simultaneously provide the Purchasers with a copy of any related prospectus to be used in connection with the sale or other disposition of the Registrable Securities covered thereby. Failure to notify the Holders in accordance with this Section 3(b) shall be deemed an Event under Section 3(a).

(c) No Purchaser shall be entitled to a payment pursuant to this Section 3 if effectiveness of a Registration Statement has been delayed or a prospectus has been unavailable as a result of (i) a failure by such Purchaser to promptly provide on request by the Company the information required under the Subscription Agreement or this Agreement or requested by the SEC as a condition to effectiveness of a Registration Statement; (ii) the provision of inaccurate or incomplete information by such Purchaser; or (iii) a statement or determination of the SEC that any provision of the rights of the Purchaser under this Agreement are contrary to the provisions of the Securities Act.

(d) Notwithstanding anything to the contrary herein, at any time after the Effectiveness Date of a particular Registration Statement, the Company may delay the disclosure of material, non-public information concerning the Company, the disclosure of which at the time is not, in the good faith opinion of the board of directors of the Company, in the best interest of the Company and, in the opinion of counsel to the Company, otherwise required (a "**Grace Period**"), provided that the Company shall promptly notify the Purchasers in writing of the (i) existence of material, non-public information giving rise to a Grace Period (provided that in each such notice the Company shall not disclose the content of such material, non-public information to any of the Purchasers) and the date on which such Grace Period will begin and (ii) date on which such Grace Period ends, provided further that (i) no Grace Period shall exceed ten (10) consecutive days and during any three hundred sixty five (365) day period all such Grace Periods shall not exceed an aggregate of thirty (30) days, (ii) the first day of any Grace Period must be at least five (5) Trading Days after the last day of any prior Grace Period, and (iii) no Grace Period may exist during the thirty (30) Trading Day period immediately following the Effectiveness Date of such Registration Statement (provided that such thirty (30) Trading Day period shall be extended by the number of Trading Days during such period and any extension thereof contemplated by this proviso during which such Registration Statement is not effective or the prospectus contained therein is not available for use) (each, an "**Allowable Grace Period**"). For purposes of determining the length of a Grace Period above, such Grace Period shall begin on and include the date the Purchasers receive the notice referred to in clause (i) above and shall end on and include the later of the date the Purchasers receive the notice referred to in clause (ii) above and the date referred to in such notice.

4. OBLIGATIONS OF THE COMPANY. With respect to the Initial Registration Statement and any other Registration Statement filed by the Company with the SEC that covers the Registrable Securities, the Company shall:

(a) Prepare and file with the SEC such amendments and supplements to a Registration Statement and the prospectus used in connection therewith as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement;

(b) Furnish to the selling Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents (including, without limitation, prospectus amendments and supplements as are prepared by the Company in accordance with Section 4(a) above) as the selling Holders may reasonably request in order to facilitate the disposition of such selling Holders' Registrable Securities;

(c) Use best efforts to comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final prospectus, including any supplement or amendment thereof, with the SEC pursuant to Rule 424 under the Securities Act, promptly inform the Holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the Holders are required to deliver a prospectus in connection with any disposition of Registrable Securities; notify the selling Holders of the happening of any event as a result of which the prospectus included in or relating to a Registration Statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading; and, thereafter, subject to Section 9 hereof, the Company will promptly prepare (and, when completed, give notice and provide a copy thereof to each selling Holder) a supplement or amendment to such prospectus so that such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading; provided, however, that upon such notification by the Company (which shall be a Suspension pursuant to Section 9), the selling Holders will not offer or sell Registrable Securities until the Company has notified the selling Holders that it has prepared a supplement or amendment to such prospectus and filed it with the SEC or, if the Company does not then meet the conditions for the use of Rule 172, delivered copies of such supplement or amendment to the selling Holders (it being understood and agreed by the Company that the foregoing proviso shall in no way diminish or otherwise impair the Company's obligation to promptly prepare a prospectus amendment or supplement as above provided in this Section 4(c) and deliver copies of same as above provided in Section 4(b) hereof); and

(d) Use its best efforts to register and qualify the Registrable Securities covered by a Registration Statement under such other securities or Blue Sky laws of such states as shall be reasonably appropriate in the opinion of the Company, provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business.

(e) Subject to the terms and conditions of this Agreement, including Section 2 hereof, the Company shall use its best efforts to (i) prevent the issuance of any stop order or other suspension of effectiveness of any Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction in the United States, and (ii) if such an order or suspension is issued, obtain the withdrawal of such order or suspension at the earliest practicable moment and notify each Holder of Registrable Securities of the issuance of such order and the resolution thereof or its receipt of notice of the initiation or threat of any proceeding for that purpose.

(f) The Company will file any Registration Statement and all amendments and supplements thereto electronically on EDGAR.

5. OBLIGATIONS OF THE HOLDERS.

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

(b) Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(c), each Holder shall immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement covering such Registrable Securities until such Holders receipt of the copies of the supplemented or amended prospectus contemplated by Section 4(c) or receipt of notice that no supplement or amendment is required.

6. EXPENSES OF REGISTRATION.

(a) All expenses incurred in connection with the registration of the Registrable Securities pursuant to this Agreement (excluding underwriting, brokerage and other selling commissions and discounts), including without limitation all registration and qualification and filing fees, printing, fees and disbursements of counsel for the Company and fees and expenses shall be borne by the Company; provided, however, other than as provided in this Section 6(a), the Holders shall be required to pay the expenses of counsel and any other advisors for the Holders and any brokerage or other selling discounts or commissions and any other expenses incurred by the Holders for their own account.

(b) Until such time as all of the Registrable Securities have been sold pursuant to an effective Registration Statement, the Company shall take such reasonable action as the Holder may request (including, without limitation, promptly obtaining any required legal opinions from Company counsel necessary to effect the sale of the Registrable Securities under Rule 144 and paying the related fees and expenses of such counsel), to the extent required from time to time to enable such Holder to sell the Registrable Securities without registration under the Securities Act pursuant to the provisions of Rule 144 under the Securities Act (or any successor provision). The Company further covenants to take such action and to provide such legal opinions within five (5) Business Days after receipt from such Holder (or its representative) of documentation reasonably required by the Company's counsel to provide such opinion.

7. INDEMNIFICATION.

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and each officer and director of such selling Holder and each person, if any, who controls such selling Holder, within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which they may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue or alleged untrue statement of any material fact contained in any Registration Statement, in any preliminary prospectus or final prospectus relating thereto or in any amendments or supplements to any Registration Statement or any such preliminary prospectus or final prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; (ii) any blue sky application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Registrable Securities under the securities laws thereof (any such application, document or information herein called a "**Blue Sky Application**"); (iii) the omission or alleged omission to state in a Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading; (iv) any violation by the Company or its agents of any rule or regulation promulgated under the Securities Act applicable to the Company or its agents and relating to action or inaction required of the Company in connection with such registration of the Registrable Securities; or (v) any failure to register or qualify the Registrable Securities included in any such Registration Statement in any state where the Company or its agents has affirmatively undertaken or agreed in writing that the Company will undertake such registration or qualification on a Holder's behalf; and will reimburse such selling Holder, or such officer, director or controlling person of such selling Holder for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, damage, liability or action to the extent that it arises out of or is based upon (i) an untrue statement or alleged untrue statement or omission made in connection with any Registration Statement, any preliminary prospectus or final prospectus relating thereto or any amendments or supplements to any Registration Statement or any such preliminary prospectus or final prospectus, in reliance upon and in conformity with written information furnished expressly for use in connection with any Registration Statement or any such preliminary prospectus or final prospectus by the selling Holders or (ii) at any time when the Company has advised the Holder in writing that the Company does not meet the conditions for use of Rule 172 and as a result that the Holder is required to deliver a current prospectus in connection with any disposition of Registrable Securities, an untrue statement or alleged untrue statement or omission in a prospectus that is (whether preliminary or final) corrected in any subsequent amendment or supplement to such prospectus was delivered to the selling Holder before the pertinent sale or sales by the selling Holder.

(b) To the extent permitted by law, each selling Holder will severally and not jointly indemnify and hold harmless the Company, each of its directors, each of its officers who have signed any Registration Statement, each person, if any, who controls the Company within the meaning of the Securities Act, against any losses, claims, damages or liabilities to which the Company or any such director, officer, controlling person, may become subject to, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any untrue or alleged untrue statement of any material fact contained in any Registration Statement or any preliminary prospectus or final prospectus, relating thereto or in any amendments or supplements to any Registration Statement or any such preliminary prospectus or final prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent and only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission (i) was made in any Registration Statement, in any preliminary prospectus or final prospectus relating thereto or in any amendments or supplements to any Registration Statement or any such preliminary prospectus or final prospectus, in reliance upon and in conformity with written information furnished by the selling Holder expressly for use in connection with any Registration Statement, or any preliminary prospectus or final prospectus or (ii) at any time when the Company has advised the Holder in writing that the Company does not meet the conditions for use of Rule 172 and as a result that the Holder is required to deliver a current prospectus in connection with any disposition of Registrable Securities, an untrue statement or alleged untrue statement or omission in a prospectus that is (whether preliminary or final) corrected in any subsequent amendment or supplement to such prospectus was corrected in any subsequent amendment or supplement to such prospectus that was delivered to the selling Holder before the pertinent sale or sales by the selling Holder; and such selling Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person; provided, however, that the liability of each selling Holder hereunder shall be limited to the net proceeds received by such selling Holder from the sale of Registrable Securities giving rise to such liability, and provided further, that the indemnity agreement contained in this Section 7(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of those selling Holder(s) against which the request for indemnity is being made (which consent shall not be unreasonably withheld).

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party desires, jointly with any other indemnifying party similarly noticed, to assume at its expense the defense thereof with counsel satisfactory to the indemnifying party or indemnifying parties, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise under the indemnity agreement contained in this Section 7 (except to the extent that such omission materially and adversely affects the indemnifying party's ability to defend such action). In the event that the indemnifying party assumes any such defense, the indemnified party may participate in such defense with its own counsel and at its own expense, provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded, based on an opinion of counsel reasonably satisfactory to the indemnifying party, that there may be a conflict of interest between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless the indemnified party shall have employed such counsel in connection with the assumption of legal defenses in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel and one local counsel, reasonably satisfactory to such indemnifying party, representing all of the indemnified parties who are parties to such action in which case the reasonable fees and expenses of counsel shall be at the expense of the indemnifying party.

(d) Notwithstanding anything to the contrary herein, the indemnifying party shall not be entitled to settle any claim, suit or proceeding unless in connection with such settlement the indemnified party receives an unconditional release with respect to the subject matter of such claim, suit or proceeding and such settlement does not contain any admission of fault by the indemnified party.

(e) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Holders on the other in connection with the statements or omissions or other matters which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, in the case of an untrue statement, whether the untrue statement relates to information supplied by the Company on the one hand or a Holder on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement. The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this subsection (e) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this subsection to contribute are several in proportion to their sales of Registrable Securities to which such loss relates and not joint. In no event shall the contribution obligation of a Holder be greater in amount than the dollar amount of the net proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 7 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

8. REPORTS UNDER THE EXCHANGE ACT. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit the Holders to sell the Registrable Securities to the public without registration, the Company agrees: (i) to make and keep public information available as those terms are understood in Rule 144, (ii) to file with the SEC in a timely manner all reports and other documents required to be filed by an issuer of securities registered under the Securities Act or the Exchange Act pursuant to Rule 144, (iii) as long as any Holder owns any Registrable Securities, to furnish in writing upon such Holder's written request a written statement by the Company that it has complied with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, and to furnish upon written request to such Holder a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed by the Company as may be reasonably requested in availing such Holder of any rule or regulation of the SEC permitting the selling of any such Registrable Securities without registration and (iv) undertake any additional actions reasonably necessary to maintain the availability of the use of Rule 144.

9. SUSPENSION. Notwithstanding anything in this Agreement to the contrary, in the event (i) of any non-voluntary demand on the Company by the SEC or any other federal or state governmental authority during the period of effectiveness of any Registration Statement for amendments or supplements to any Registration Statement or related prospectus or for additional information; (ii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for that purpose; (iii) 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 of any proceeding for such purpose; or (iv) of any event or circumstance which requires in order to comply with applicable law the making of any changes in any Registration Statement or related prospectus, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of any Registration Statement, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the prospectus, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, then the Company shall furnish to the selling Holders a certificate signed by the President or Chief Executive Officer of the Company setting forth in detail the facts relating to one or more of the above described circumstances, and the right of the selling Holders to use any Registration Statement (and the prospectus relating thereto) shall be suspended for a period (the "Suspension Period") of not more than ten (10) days after delivery by the Company of the certificate referred to above in this Section 9. During the Suspension Period, none of the Holders shall offer or sell any Registrable Securities pursuant to or in reliance upon any Registration Statement (or the prospectus relating thereto). The Company shall use its best efforts to terminate any Suspension Period as promptly as practicable.

10. TRANSFER OF REGISTRATION RIGHTS. A Holder shall have the right and may transfer or assign, at any time and from time to time, in whole or in part, to one or more Persons its rights hereunder in connection with the transfer of the Registrable Securities by such Holder to such person, provided that (a) such Holder complies with all laws applicable thereto, (b) the Company is furnished with written notice of the name and address of such transferee or assignee and the Registrable Securities to which such registration rights are being transferred, (c) at or before the time the Company received the written notice contemplated by clause (b) of this sentence the transferee or assignee agrees in writing (i) that such transferee or assignee is an “accredited purchaser” as that term is defined in Rule 501 of Regulation D, (ii) to be bound by all of the terms and conditions of this Agreement by duly executing and delivering to the Company an Instrument of Adherence in the form attached as Annex A hereto.

11. ENTIRE AGREEMENT. This Agreement and the Subscription Agreement constitute and contain the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersede any and all prior negotiations, correspondence, agreements or understandings with respect to the subject matter hereof.

12. MISCELLANEOUS.

(a) This Agreement may not be amended, modified or terminated, and no rights or provisions may be waived, except with the written consent of the Company and the holders of a majority of the Registrable Securities issued and outstanding; provided, that, no consent shall be required in order to add additional Purchasers as parties hereto in accordance with the Offering.

(b) This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New York, without giving effect to any choice or conflict of law provision or rule. The parties further: (i) agree that any legal suit, action or proceeding arising out of or relating to this Note shall be instituted exclusively in any Federal or State court of competent jurisdiction within the State of New York, County of New York, (ii) waive any objection that they may have now or hereafter to the venue of any such suit, action or proceeding, and (iii) irrevocably consent to the *in personam* jurisdiction of any Federal or State court of competent jurisdiction within the State of New York, County of New York in any such suit, action or proceeding. The parties each further agree to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in a Federal or State court of competent jurisdiction within the State of New York, County of New York, and that service of process upon the parties mailed by certified mail to their respective addresses shall be deemed in every respect effective service of process upon the parties, in any action or proceeding.



(c) Any notices, reports or other correspondence (hereinafter collectively referred to as "correspondence") required or permitted to be given hereunder shall be in writing and shall be sent by postage prepaid first class mail, courier or telecopy or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder, and shall be deemed sufficient upon receipt when delivered personally or by courier, overnight delivery service or confirmed facsimile, or three (3) business days after being deposited in the regular mail as certified or registered mail (airmail if sent internationally) with postage prepaid, if such notice is addressed to the party to be notified at such party's address or facsimile number as set forth below:

(i) All correspondence to the Company shall be addressed to the Company to 7621 Little Avenue, Suite 414, Charlotte, NC 28226 and if to the Purchaser to the address set forth on the Purchaser's signature page to the Subscription Agreement, or such other address as designated by a party pursuant to the provisions hereof.

(ii) All correspondence to any Purchaser shall be sent to such Purchaser at the address set forth in the signature page to the Subscription Agreement.

(iii) Any party may change the address to which correspondence to it is to be addressed by written notification as provided for herein.

(d) The parties acknowledge and agree that in the event of any breach of this Agreement, remedies at law may be inadequate, and each of the parties hereto shall be entitled to seek specific performance of the obligations of the other parties hereto and such appropriate injunctive relief as may be granted by a court of competent jurisdiction.

(e) Should any part or provision of this Agreement be held unenforceable, the unenforceable part or provisions shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in a valid and enforceable manner, and the remainder of this Agreement shall remain binding upon the parties hereto.

(f) This Agreement may be executed in a number of counterparts, any of which together shall for all purposes constitute one Agreement, binding on all the parties hereto notwithstanding that all such parties have not signed the same counterpart.

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

CHANTICLEER HOLDINGS, INC.

By: \_\_\_\_\_  
Michael Pruitt,  
Chief Executive Officer

[SIGNATURE PAGE OF PURCHASER FOLLOWS]

[SIGNATURE PAGE OF PURCHASER TO CHANTICLEER HOLDINGS, INC.  
REGISTRATION RIGHTS AGREEMENT]

Name of Holder: \_\_\_\_\_

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

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

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

ANNEX A

**Instrument of Adherence**

Reference is hereby made to that certain Registration Rights Agreement, dated as of January \_\_\_\_, 2015, among Chanticleer Holdings, Inc., a Delaware corporation (the "**Company**"), the Purchasers and the Purchaser Permitted Transferees, as amended and in effect from time to time (the "**Registration Rights Agreement**"). Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Registration Rights Agreement.

The undersigned, in order to become the owner or holder of [\_\_\_\_\_] shares of common stock, par value \$0.0001 per share of the Company (the "**Common Stock**") hereby agrees that, from and after the date hereof, the undersigned has become a party to the Registration Rights Agreement in the capacity of an Purchaser Permitted Transferee, and is entitled to all of the benefits under, and is subject to all of the obligations, restrictions and limitations set forth in the Registration Rights Agreement that are applicable to Purchaser Permitted Transferees. This Instrument of Adherence shall take effect and shall become a part of the Registration Rights Agreement immediately upon execution.

Executed as of the date set forth below.

Signature: \_\_\_\_\_  
Name:  
Title:

Accepted:  
**CHANTICLEER HOLDINGS, INC.**

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

Date: \_\_\_\_\_, 20\_\_

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