

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 24, 2016

THE ONE GROUP HOSPITALITY, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37379
(Commission File Number)

14-1961545
(IRS Employer
Identification No.)

411 W. 14th Street, 2nd Floor
New York, New York 10014
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (646) 624-2400

(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))
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Item 1.01 Entry into a Material Definitive Agreement.

On October 24, 2016, The ONE Group Hospitality, Inc. (the “**Company**”) entered into a \$2,250,000 loan agreement (the “**Loan Agreement**”) with Anson Investments Master Fund LP (the “**Investor**”) through an unsecured promissory note (the “**Note**”). In consideration of the loan amount the Company issued to the Investor a Common Stock Purchase Warrant (the “**Warrant**”) to purchase 340,000 shares of the Company’s common stock, \$0.0001 par value per share (the “**Common Stock**”). In addition to customary representations, warranties and covenants, the Loan Agreement provides the Investor with a right of participation for certain subsequent financings until the date that any notes held by the Investor are no longer outstanding.

The Warrant is exercisable at any time through October 24, 2026, in whole or in part. The Warrant contains limitations that prevent the Investor from acquiring shares of Common Stock upon exercise of the Warrant that would result in the number of shares beneficially owned by it and its affiliates exceeding 9.99% of the total number of shares of the Company’s Common Stock then issued and outstanding.

The Note bears interest at a rate of 10% per annum, payable quarterly commencing December 31, 2016. The entire balance of the Note is due on its maturity date of October 24, 2021. The Note contains customary events of default. In addition, the Note contains covenants that, among other matters, prohibit the Company from paying cash dividends or distributions on any equity securities of the Company. In addition, the covenants prohibit the Company and its subsidiaries from incurring additional debt or liens without the consent of the Noteholder, subject to certain exceptions set forth in the Note.

The securities described above were offered and sold pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the “**Securities Act**”), pursuant to Section 4(2) of the Securities Act and/or Regulation D promulgated thereunder on the basis that, among other things, the transaction did not involve a public offering, the Investor is an accredited investor, the Investor took the securities for investment and not resale, and the Company took appropriate measures to restrict the transfer of the securities.

The Loan Agreement, Note and Warrant are filed as Exhibits 10.1, 10.2 and 4.1, respectively, to this Current Report on Form 8-K, and such documents are incorporated herein by reference. The foregoing is only a brief description of the material terms of the Loan Agreement, Note and Warrant, does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to such exhibits.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The response to this item is included in Item 1.01, Entry into a Material Definitive Agreement, and is incorporated herein by this reference in its entirety.

Item 3.02 Unregistered Sales of Equity Securities.

The response to this item is included in Item 1.01, Entry into a Material Definitive Agreement, and is incorporated herein by this reference in its entirety.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit	Description
4.1	Common Stock Purchase Warrant dated as of October 24, 2016.
10.1	Loan Agreement by and between The ONE Group Hospitality, Inc. and Anson Investments Master Fund LP, dated as of October 24, 2016.
10.2	Unsecured Promissory Note dated as of October 24, 2016.

SIGNATURES

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

Dated: October 28, 2016

THE ONE GROUP HOSPITALITY, INC.

By: /s/ Samuel Goldfinger

Name: Samuel Goldfinger

Title: Chief Financial Officer

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

COMMON STOCK PURCHASE WARRANT

THE ONE GROUP HOSPITALITY, INC.

Warrant Shares: 340,000

Initial Exercise Date: October 24, 2016

Issue Date: October 24, 2016

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, ANSON INVESTMENTS MASTER FUND LP or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the ten (10) year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from The ONE Group Hospitality, Inc., a Delaware corporation (the "Company"), up to 340,000 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Commission” means the United States Securities and Exchange Commission.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Liens” means a lien, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

“Loan Agreement” means that certain Loan Agreement, made by and between the Company and the Holder, dated on or about the date hereof, pursuant to which this Warrant has been issued.

“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.

“Proceeding” means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

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

“Trading Day” means a day on which the Common Stock is traded on a Trading Market.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing).

“Transfer Agent” means Continental Stock Transfer & Trust Company, the current transfer agent of the Company, and any successor transfer agent of the Company.

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

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise in the form annexed hereto. Within three (3) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, other than in connection with the transfer of this Warrant to a non-Affiliate of the Holder pursuant to Section 4, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be **\$2.39**, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at any time after the six-month anniversary of the Closing Date, there is no effective Registration Statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

- (A) = the last VWAP immediately preceding the time of delivery of the Notice of Exercise giving rise to the applicable “cashless exercise”, as set forth in the applicable Notice of Exercise (to clarify, the “last VWAP” will be the last VWAP as calculated over an entire Trading Day such that, in the event that this Warrant is exercised at a time that the Trading Market is open, the prior Trading Day’s VWAP shall be used in this calculation);
- (B) = the Exercise Price of this Warrant, as adjusted hereunder; and
- (X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

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

d) Mechanics of Exercise.

i . Delivery of Warrant Shares Upon Exercise. Warrant Shares purchased hereunder shall be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“DWAC”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 and are being sold promptly pursuant to Rule 144, and otherwise by physical delivery of a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is three (3) Trading Days after the delivery to the Company of the Notice of Exercise (such date, the “Warrant Share Delivery Date”), provided that the Company shall not be obligated to deliver Warrant Shares hereunder unless the Company has received the aggregate Exercise Price and Holder’s customary seller representation letter to Company’s legal counsel on or before the Warrant Share Delivery Date. Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a Cashless Exercise) is received within three Trading Days of delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), \$5 per Trading Day (increasing to \$10 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after the second Trading Day following such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable.

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

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

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

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

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

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

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

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding and unexpired: (i) without payment therefor, pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) without payment therefor, issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) [RESERVED]

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

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

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “Fundamental Transaction”), then this Warrant shall be automatically exercised via cashless exercise pursuant to Section 2(c) by the Holder with respect to all remaining Warrant Shares on the date of closing of the Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant) and the Holder shall receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the closing of the Fundamental Transaction, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction.

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

g) Notice to Holder.

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

i i . Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 10 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

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

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

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

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

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that (i) it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act; (ii) it is an “accredited investor”, as defined in Rule 501(a) promulgated under the Securities Act; (iii) federal and state income tax liability resulting from (A) the issuance and/or right to purchase Warrant Shares in accordance with this Warrant, and/or (B) the purchase and/or disposition of the Warrant Shares purchased pursuant to this Warrant, shall, in each case, be the sole responsibility of Holder; and (iv) Company has offered no tax advice to Holder, and Company has further advised Holder to seek advice based on Holder’s particular circumstances from an independent tax advisor.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

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

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

d) Authorized Shares.

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

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

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

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

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

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder or Company shall operate as a waiver of such right or otherwise prejudice such party's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date.

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

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

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

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

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

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

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

(Signature Page Follows)

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

THE ONE GROUP HOSPITALITY, INC.

By: /s/ Samuel Goldfinger

Name: Samuel Goldfinger

Title: Chief Financial Officer

NOTICE OF EXERCISE

TO: ONE GROUP HOSPITALITY, INC.

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

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

in lawful money of the United States; or

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

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

The Warrant Shares shall be delivered to the following DWAC Account Number, if the Warrant Shares are being promptly sold pursuant to Rule 144:

The Warrant Shares shall be delivered to the following address, if the Warrant Shares are not being promptly sold pursuant to Rule 144:

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

(5) The person signing below on behalf of the Holder has full power and authority to sign and deliver this instrument on behalf of Holder.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

EXHIBIT B

ASSIGNMENT FORM

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

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

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

LOAN AGREEMENT

This Loan Agreement (this “**Agreement**”) is made by and between The ONE Group Hospitality, Inc., a Delaware corporation (the “**Company**”), and the undersigned noteholder (“**Noteholder**”), effective as of October 24, 2016 (the “**Effective Date**”). The Company and Noteholder are each sometimes referred to herein as a “**Party**”, and collectively as the “**Parties**”.

WHEREAS, Noteholder has agreed to lend the Company, and the Company has agreed to borrow from Noteholder, \$2,250,000 (the “**Loan Amount**”) through an unsecured promissory note in substantially the form attached hereto as Exhibit A (the “**Note**”), in accordance with the terms of this Agreement, the Note and the Warrant (as hereinafter defined).

In consideration of the above recital and the promises set forth in this Agreement, the Parties agree as follows:

1. **Note.** Simultaneous with the execution of this Agreement by Noteholder and the delivery to the Company from Noteholder of a certified check or wire as described in Section 1(a) below, the Company will deliver to Noteholder the Note and the Warrant.
 - a. Noteholder agrees, on the terms and subject to the conditions set forth in this Agreement, to lend to the Company the Loan Amount, and upon the execution of this Agreement, to deliver a certified check or wire made payable to the Company in an amount equal to the Loan Amount.
 - b. The Loan Amount, together with any accrued and unpaid interest thereon, will be due and payable in a lump sum to Noteholder on the Maturity Date (as such term is defined in the Note). Notwithstanding the foregoing, the Company may prepay the Note at any time, and from time to time, without penalty.
 2. **Warrant Coverage.**
 - a. In consideration of the Loan Amount, Noteholder will receive a warrant, substantially in the form attached hereto as Exhibit B (the “**Warrant**”), to purchase 340,000 shares of common stock, par value \$0.0001 per share (“**Common Stock**”), of the Company (each, a “**Warrant Share**” and together with the Warrant and the Note, the “**Securities**”). The Warrant will have an exercise price of \$2.39 per Warrant Share. The Warrant will be exercisable until the tenth (10th) anniversary of the Effective Date.
 - b. The Company will, during the time that the Warrant remains outstanding, reserve and keep available out of its authorized but unissued shares of Common Stock a sufficient number of shares of Common Stock to effect the exercise of the Warrant with respect to all Warrant Shares. In the event that, on the date of exercise of the Warrant, the number of authorized but unissued shares of Common Stock is not sufficient to enable the Company to issue the number of Warrant Shares issuable upon such exercise, the Company will cause the number of authorized shares of Common Stock to be increased to an amount at least sufficient to enable the Company to issue the Warrant Shares then subject to the Warrant as soon as practicable thereafter and the term of the Warrant shall be extended by a number of days equal to the number of days the Warrant Shares are not issuable as a result of such failure.
-

- c. Certificates evidencing the Warrant Shares shall not contain any legend: (i) while a registration statement covering the resale of such security is effective under the Securities Act of 1933 (“**Securities Act**”), or (ii) following any sale of such Warrant Shares pursuant to Rule 144 under the Securities Act (“**Rule 144**”), or (iii) if such Warrant Shares are eligible for sale under Rule 144, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall cause its counsel to issue a legal opinion to its transfer agent promptly if required by the transfer agent to effect the removal of the legend hereunder and such counsel shall request any supporting documents from the Noteholder in connection with such opinion, which Noteholder shall use commercially reasonable efforts to promptly deliver. If all or any portion of a Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Warrant Shares, or if such Warrant Shares may be sold under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Securities and Exchange Commission (“**Commission**”)) then such Warrant Shares shall be issued free of all legends. The Company agrees that following such time as such legend is no longer required under this clause (c), it will, no later than three Trading Days (as the term “Trading Day” is defined in the Warrant) following the delivery by a Noteholder to the Company or the Transfer Agent of a certificate representing Warrant Shares, as applicable, issued with a restrictive legend (such third Trading Day, the “**Legend Removal Date**”), deliver or cause to be delivered to such Noteholder a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the transfer agent that enlarge the restrictions on transfer set forth in this clause (c). Certificates for Warrant Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Noteholder by crediting the account of the Noteholder’s prime broker with the Depository Trust Company System as directed by such Noteholder.
- d. In addition to such Noteholder’s other available remedies, the Company shall pay to a Noteholder, in cash, (i) as partial liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares (based on the VWAP (as defined in the Warrant) of the Common Stock on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 2(c), \$5 per Trading Day (increasing to \$10 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the second Trading Day following the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to a Noteholder by the Legend Removal Date a certificate representing the Securities so delivered to the Company by such Noteholder that is free from all restrictive and other legends and (b) if after the Legend Removal Date such Noteholder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Noteholder of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that such Noteholder anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of such Noteholder’s total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the “**Buy-In Price**”) over the product of (A) such number of Warrant Shares that the Company was required to deliver to such Noteholder by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Noteholder to the Company of the applicable Warrant Shares (as the case may be) and ending on the date of such delivery and payment under this clause (d).

- e. The Noteholder agrees to the imprinting, so long as is required by this Section 2, of a legend on any of the Warrant Shares in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

- 3. **Representations of Noteholder.** Noteholder hereby acknowledges, agrees, represents, warrants and covenants to the Company that:

- a. This Agreement constitutes Noteholder's valid and legally binding obligation, enforceable in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

- b. The transactions contemplated hereby will constitute an investment for Noteholder's own account, and not with a view to the resale or distribution of any part thereof.
- c. Noteholder has no present intention of selling, granting any participation right in, or otherwise distributing any portion of this investment to any party, including, without limitation, any Warrant Shares issuable upon the exercise of the Warrant.
- d. Noteholder has received all the information it considers necessary or appropriate for deciding whether to enter into this Agreement, the Note and the Warrant, and has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions hereof and thereof.
- e. Noteholder qualifies as an "accredited investor", as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 (as amended).

4. Representations of Company.

- a. The Company is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Company and each Subsidiary of the Company (collectively, the "**Subsidiaries**") is not in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. The Company is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of this Agreement or the Note, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company or any of its Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under this Agreement (any of (i), (ii) or (iii), a "**Material Adverse Effect**"); provided, however, that none of the following, either alone or in combination, shall be considered in determining whether there has been a breach of a representation, warranty, covenant or agreement that is qualified by the term "Material Adverse Effect" or whether a "Material Adverse Effect" has occurred or would reasonably be expected to occur: (A) general economic or political conditions or the financing, banking, currency or capital markets in general; (B) events occurring generally in, or generally affecting, the industries or the markets in which the Company or its Subsidiaries conduct business; (C) events resulting from the consummation of the transactions contemplated by this Agreement, the compliance with the terms of this Agreement or the taking of any action required or contemplated by this Agreement or consented to by Noteholder; (D) events resulting from changes in laws or orders, or in GAAP or other accounting requirements or principles, or any interpretation thereof, after the date hereof; (E) events resulting from an outbreak or escalation of hostilities involving any country where the Company or its Subsidiaries do business, the declaration by any country where the Company or its Subsidiaries do business of a national emergency or war, or the occurrence of any acts of terrorism and any actions or reactions thereto in such country; (F) events resulting from any natural disaster; and (G) events resulting from any failure of the Company to meet any projections or forecasts, provided that in determining whether a Material Adverse Effect has occurred or would reasonably be likely to occur in the cases of (A), (B) and (D), the effects of such events shall be excluded only to the extent they do not have a disproportionate effect on the Company and its Subsidiaries as compared with similarly situated companies in the industry in which the Company and its Subsidiaries operate.

- b. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder, including the issuance of the Note. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith. This Agreement has been duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.
- c. The execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Note and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) materially conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any lien upon any of the properties or assets of the Company or any of its Subsidiaries, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other instrument or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound, or (iii) to the Company's knowledge, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as would not have or reasonably be expected to result in a Material Adverse Effect.

- d. The Securities are duly authorized and, when issued and paid for in accordance with this Agreement, will be duly and validly issued, fully paid and nonassessable, free and clear of all liens imposed by the Company. The Warrant Shares, when issued in accordance with the terms of the Warrants, will be validly issued, fully paid and nonassessable, free and clear of all liens imposed by the Company.
- e. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Securities Exchange Act of 1934 (“**Exchange Act**”), including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the “**SEC Reports**”) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, 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. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved (“**GAAP**”), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

- f. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed prior to the date hereof, (i) there has been no event, occurrence or development that has had or that would reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, other than that certain subordinated debt with 2235570 Ontario Limited in the aggregate amount of \$1,000,000 which shall be disclosed in the Company's Form 10-Q for the period ended June 30, 2016, (iii) the Company has not altered its method of accounting, and (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock. No event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made.

Except for the representations and warranties contained in this Section 4, neither the Company or any of its Subsidiaries, nor any other person, has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the Company and its Subsidiaries, including any representation or warranty as to the accuracy or completeness of any information regarding the Company and its Subsidiaries furnished or made available to Noteholder and its representatives or as to the future revenue, profitability or success of the Company and its Subsidiaries, or any representation or warranty arising from statute or otherwise in law. The Company hereby disclaims any other express or implied representations or warranties with respect to any matter whatsoever, including without limitation, any regarding the pro forma financial information, financial projections or other forward-looking statements relating to the Company and its Subsidiaries.

5. Covenants of the Company.

a. Furnishing of Information.

- (i) Until the earliest of the time that the Warrants have expired, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act.

- (ii) At any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Warrant Shares (assuming cashless exercise) may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) has ever been an issuer described in Rule 144(i)(1)(i) or becomes an issuer in the future, and the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) (a “**Public Information Failure**”) then, in addition to such Noteholder’s other available remedies, the Company shall pay to a Noteholder, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Warrant Shares, an amount in cash equal to one percent (1.0%) of the aggregate Exercise Price of such Noteholder’s Warrants on the day that is five (5) Trading Days following the date of a Public Information Failure and on every thirtieth (30th) day (pro-rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Noteholders to transfer the Warrant Shares pursuant to Rule 144. The payments to which a Noteholder shall be entitled pursuant to this Section 4.2(b) are referred to herein as “**Public Information Failure Payments.**” Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit such Noteholder’s right to pursue actual damages for the Public Information Failure, and such Noteholder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.
- b. The Company shall (a) by 9:00 a.m. (New York City time) on the Trading Day immediately following the date hereof, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file a Current Report on Form 8-K, including this Agreement and the form of Note and Warrant as exhibits thereto, with the Commission within the time required by the Exchange Act. From and after the issuance of such press release, the Company represents to the Noteholders that it shall have publicly disclosed all material, non-public information delivered to any of the Noteholders by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents. In addition, effective upon the issuance of such press release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and any of the Noteholders or any of their Affiliates on the other hand, shall terminate. The Company and each Noteholder shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Noteholder shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Noteholder, or without the prior consent of each Noteholder, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Noteholder, or include the name of any Noteholder in any filing with the Commission or any regulatory agency or the Nasdaq Capital Market (“**Trading Market**”), without the prior written consent of such Noteholder, except (a) as required by federal securities law in connection with the filing of this Agreement with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Noteholders with prior notice of such disclosure permitted under this clause (b).

- c. Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, which shall be disclosed pursuant to clause (b) above, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide any Noteholder or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto such Noteholder shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. The Company understands and confirms that each Noteholder shall be relying on the foregoing covenant in effecting transactions in securities of the Company.
- d. The Company hereby agrees to use best efforts to maintain the listing or quotation of the Common Stock on the Trading Market on which it is currently listed, and concurrently with the consummation of the transactions hereunder, the Company shall apply to list or quote all of the Warrant Shares on such Trading Market and promptly secure the listing of all of the Warrant Shares on such Trading Market. The Company further agrees, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Warrant Shares, and will take such other action as is necessary to cause all of the Warrant Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of its Common Stock on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.
- e. The form of Notice of Exercise included in the Warrants set forth the totality of the procedures required of the Noteholders in order to exercise the Warrants. No additional legal opinion, other information or instructions shall be required of the Noteholders to exercise their Warrants. Without limiting the preceding sentences, no ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required in order to exercise the Warrants.

6. Participation in Future Financing.

- a. From the date hereof until the date that the Note and any other promissory note or indebtedness of the Company or any Subsidiary held by the Noteholder is no longer outstanding, upon any issuance by the Company or any of its Subsidiaries of Debt Common Stock Equivalents for cash consideration, Indebtedness or a combination of units thereof (a "Subsequent Financing"), the Noteholder shall have the right to participate in up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing on the same amount, terms, conditions and price provided for in the Subsequent Financing.
- b. At least five (5) Trading Days prior to the closing of the Subsequent Financing, the Company shall deliver to the Noteholder a written notice of its intention to effect a Subsequent Financing ("Pre-Notice"), which Pre-Notice shall ask the Noteholder if it wants to review the details of such financing (such additional notice, a "Subsequent Financing Notice"). Upon the request of the Noteholder, and only upon a request by the Noteholder, for a Subsequent Financing Notice, the Company shall promptly, but no later than one (1) Trading Day after such request, deliver a Subsequent Financing Notice to the Noteholder. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the person or persons through or with whom such Subsequent Financing is proposed to be effected and shall include a term sheet or similar document relating thereto as an attachment.
- c. If the Noteholder desires to participate in such Subsequent Financing, the Noteholder must provide written notice to the Company by not later than 5:30 p.m. (New York City time) on the fifth (5th) Trading Day after the Company has delivered the Pre-Notice to the Noteholder that the Noteholder is willing to participate in the Subsequent Financing, the amount of the Noteholder's participation, and representing and warranting that the Noteholder has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice. If the Company receives no such notice from the Noteholder as of such fifth (5th) Trading Day, the Noteholder shall be deemed to have notified the Company that it does not elect to participate.
- d. If by 5:30 p.m. (New York City time) on the fifth (5th) Trading Day after the Company has delivered the Pre-Notice to the Noteholder, notification by the Noteholder of its willingness to participate in the Subsequent Financing (or to cause its designee to participate) is less than the total amount of the Subsequent Financing, then the Company may effect the remaining portion of such Subsequent Financing on the terms and with the person or persons set forth in the Subsequent Financing Notice.

- e. The Company must provide the Noteholder with a second Subsequent Financing Notice, and the Noteholder will again have the right of participation set forth above in this Section 6, if the Subsequent Financing subject to the initial Subsequent Financing Notice is not consummated for any reason on the terms set forth in such Subsequent Financing Notice within thirty (30) Trading Days after the date of the initial Subsequent Financing Notice.
- f. The Company and the Noteholder agree that if the Noteholder elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision whereby the Noteholder shall be required to agree to any restrictions on trading as to any of the Securities purchased hereunder or be required to consent to any amendment to or termination of, or grant any waiver, release or the like under or in connection with, this Agreement, without the prior written consent of the Noteholder.
- g. Notwithstanding anything to the contrary in this Section 6 and unless otherwise agreed to by the Noteholder, the Company shall either confirm in writing to the Noteholder that the transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that the Noteholder will not be in possession of any material, non-public information, by the tenth (10th) Trading Day following delivery of the Subsequent Financing Notice. If by such tenth (10th) Trading Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by the Noteholder, such transaction shall be deemed to have been abandoned and the Noteholder shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries.
- h. Notwithstanding the foregoing, this Section 6 shall not apply in respect of an Exempt Issuance. For purposes of this Section 6, the following defined terms have the following meanings: (A) “**Debt Common Stock Equivalents**” means any debt securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant 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; (B) “**Exempt Issuance**” means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the board of directors of the Company or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company (for purposes of clarity, this clause (a) shall not cover any issuance of securities to any employee, officer or director in any financing transaction), or (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities; and (C) “**Indebtedness**” means any liabilities for borrowed money in excess of \$50,000 (other than trade accounts payable incurred in the ordinary course of business and other than equipment financing transactions and receivable factoring transactions in the ordinary course of business consistent with the Company’s past practice, including the terms thereof).

7. **Miscellaneous.**

- a. Notices. All notices, requests, demands, claims and other communications under this Agreement must be in writing. Any notice, request, demand, claim or other communication under this Agreement will be deemed duly given (i) two (2) business days after such notice is sent by registered or certified mail, return receipt requested, postage prepaid or (ii) immediately after such notice is sent via email, in each case, addressed to the intended recipient as set forth below:

If to the Company:

The ONE Group Hospitality, Inc.
411 West 14th Street, 3rd Floor
New York, New York 10014
Attn: Jonathan Segal
Email: js@togrp.com

with a required copy, which does not constitute notice, to:

The Giannuzzi Group, LLP
411 West 14th Street, 4th Floor
New York, New York 10014
Attn: Nicholas L. Giannuzzi, Esq.
Email: nick@gglaw.us

If to Noteholder, at the address set forth on the signature page to this Agreement, or any other address applicable to Noteholder if the Company has been given notice of such change of address in accordance with this Section 7(a). Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth in this Agreement.

- b. Invalidity of Particular Provisions. The Company and Noteholder agree that the unenforceability or invalidity of any provision or provisions of this Agreement will not render any other provision or provisions herein contained unenforceable or invalid.
- c. Successors or Assigns. The Company and Noteholder agree that all of the terms of this Agreement will be binding on their respective successors and assigns, and that the term “Company” and the term “Noteholder” as used herein will be deemed to include, for all purposes, the respective designees, successors, assigns, heirs, executors and administrators. Notwithstanding the foregoing, this Agreement and the rights and obligations of the Company hereunder will not be assignable (other than by merger), in whole or in part, without the prior written consent of the Noteholder.
- d. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the this Agreement and the Note 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. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of this Agreement), and hereby irrevocably waives, and agrees not to assert in any action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such action or proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this 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 other manner permitted by law. If any party shall commence an action or proceeding to enforce any provisions of the this Agreement, then the prevailing party in such action or proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.
- e. Waiver. Waiver of any Event of Default hereunder by a Noteholder will not be a waiver of any other Event of Default or of a same Event of Default on a later occasion. No delay or failure by a Noteholder to exercise any right or remedy will be a waiver of such right or remedy and no single or partial exercise by a Noteholder of any right or remedy will preclude other or further exercise thereof or the exercise of any other right or remedy at any other time.

- f. Amendment. This Agreement, the Note and the Warrant may not be amended, converted or a right granted pursuant to thereto waived, without the written consent of the Company and Noteholder.
- g. Entire Agreement. This Agreement, including the Exhibits attached hereto, the Warrant and the Note constitute the entire agreement of the Parties relative to the subject matter hereof and supersede any and all other agreements and understandings, whether written or oral, relative to the matters discussed herein.
- h. Fee Reimbursement. The Company shall reimburse the Noteholder for its reasonable and documented legal fees and expenses out of the proceeds of the purchase of the Note at closing, not to exceed \$5,000.
- i. Counterparts. This Agreement may be executed simultaneously in two or more counterparts and by email or facsimile, each of which will be deemed an original but all of which together will constitute one and the same instrument.

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

IN WITNESS WHEREOF, the Parties hereto have executed this Loan Agreement as of the Effective Date.

COMPANY:

THE ONE GROUP HOSPITALITY, INC.

/s/ Samuel Goldfinger

Name: Samuel Goldfinger

Title: Chief Financial Officer

NOTEHOLDER:

Name of Noteholder: Anson Investments Master Fund LP

Signature of Authorized Signatory of Noteholder: /s/ Moez Kassam

Name of Authorized Signatory: Moez Kassam

Title of Authorized Signatory: Principal

Email Address of Authorized Signatory: mkassam@ansonfunds.com

Facsimile Number of Authorized Signatory: 416-352-1880

Address for Notice to Noteholder: 1155 University Avenue - Suite 207, Toronto, Ontario, M5H 2B7

Address for Delivery of Securities to Noteholder (if not same as address for notice):

Investment Details:

Loan Amount: \$2,250,000

Date of Loan: October 24, 2016

Warrant Shares: 340,000

Exhibit A

Promissory Note

(attached)

Exhibit B

Warrant

(attached)

THE ONE GROUP HOSPITALITY, INC.

UNSECURED PROMISSORY NOTE

\$2,250,000.00

October 24, 2016

FOR VALUE RECEIVED, THE ONE GROUP HOSPITALITY, INC. , a Delaware corporation (the “**Company**”), hereby promises to pay to the order of ANSON INVESTMENTS MASTER FUND LP (“**Noteholder**”), the principal sum of \$2,250,000.00 (the “**Principal Balance**”) with interest thereon at the rate of ten percent (10%) per annum, compounded annually based on an assumed 365-day year. Interest shall commence on the date hereof and shall become due and payable on a quarterly basis, commencing on December 31, 2016, and continuing on each December 31, March 31, June 30 and September 30 thereafter until the Maturity Date (as hereinafter defined).

This Unsecured Promissory Note (this “**Note**”) is made in connection with a Loan Agreement made by and between the Company and the Noteholder (the “**Loan Agreement**”).

1. **Payment; Maturity.**

(a) Payment of the entire outstanding Principal Balance (with interest thereon) shall be immediately due and payable to Noteholder upon the earliest to occur of (i) the fifth (5th) anniversary of the date set forth above, (ii) an Event of Default (as hereinafter defined) or (iii) a Company Sale (as hereinafter defined) ((i), (ii) or (iii), as applicable, the “**Maturity Date**”); provided that this Note has not been previously paid in accordance with the terms of Section 2 below. For purposes hereof, the term “**Company Sale**” shall mean any liquidation, sale, dissolution or winding up of the Company, whether voluntary or involuntary, including, without limitation, by means of the sale, lease or other disposition of all or substantially all of the assets of the Company.

(b) All payments shall be in lawful money of the United States of America. If any payments on this Note become due on a Saturday, Sunday or a public holiday under the laws of the State of New York, such payment shall be made on the next succeeding business day and such extension of time shall be included in computing interest in connection with such payment. Notwithstanding anything to the contrary, in the event the Principal Balance and all interest accrued thereon has not been paid to Noteholder in full on the Maturity Date, the then-outstanding Principal Balance shall thereafter bear interest at the default rate of sixteen percent (16%) per annum.

2. **Events of Default.**

Any of the following events constitutes an “**Event of Default**”:

(a) any default in the payment of the principal of, or the interest on, this Note, as and when the same shall become due and payable, which default is not cured within ten (10) business days after notice of such default sent by the Noteholder to the Company;

(b) the Company defaults in the due observance or performance of any term, covenant or agreement of the Company contained in this Note or the Loan Agreement, which default is not cured within ten (10) business days after notice of such default sent by the Noteholder to the Company;

(c) any representation or warranty made by the Company in this Note or the Loan Agreement will be false in any material respect when so made;

(d) the Company pursuant to or within the meaning of Title 11 of the United States Code or any similar federal or state or foreign law for the relief of debtors (each, a “**Bankruptcy Law**”) (1) commences a voluntary case in bankruptcy or any other action or proceeding for any other similar relief under any Bankruptcy Law, (2) consents by answer or otherwise to the commencement against it of an involuntary case of bankruptcy, or (3) seeks or consents to the appointment of a receiver, trustee, assignee, liquidator, custodian or similar official (collectively, a “**Custodian**”) of it or for all or substantially all of its assets;

(e) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (1) is for relief against the Company in an involuntary case of bankruptcy against the Company, (2) appoints a Custodian of the Company for all or substantially all of its assets, or (3) orders the liquidation of the Company, and the order remains unstayed and in effect for 30 days, or any dismissal, stay rescission or termination thereof ceases to remain in effect;

(f) any involuntary proceeding under any Bankruptcy Law or any involuntary proceeding seeking the appointment of a Custodian for the Company or a substantial part of its property will remain unstayed and undismissed for a period of 45 days; or

(g) the Company or any subsidiary makes a general assignment for the benefit of creditors; or Company or any subsidiary shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or Company or any subsidiary shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or Company or any subsidiary shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by Company or any subsidiary for the purpose of effecting any of the foregoing;

(h) the Company or any subsidiary shall default in any of its respective obligations under any other note or any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of Company or any subsidiary, whether such indebtedness now exists or shall hereafter be created and such default shall result in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, provided that any applicable cure period related to such default under the terms of such note, mortgage, credit agreement or other facility, agreement or instrument is applicable; or

(i) the Company shall (a) be a party to any Change of Control Transaction (as defined below) or (b) agrees to sell or dispose of all or in excess of 50% of its assets in one or more transactions (other than sales of the Company's equipment and whether or not such sale would constitute a Change of Control Transaction). "**Change of Control Transaction**" means the occurrence of any of: (i) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Securities Exchange Act of 1934, as amended) of effective control (whether through legal or beneficial ownership of capital stock of Company, by contract or otherwise) of in excess of 50% of the voting securities of Company, (ii) a replacement at one time or over time of more than one-half of the members of Company's board of directors which is not approved by a majority of those individuals who are members of the board of directors on the date hereof (or by those individuals who are serving as members of the board of directors on any date whose nomination to the board of directors was approved by a majority of the members of the board of directors who are members on the date hereof), (iii) the merger of Company with or into another entity that is not wholly-owned by Company, consolidation or sale of 50% or more of the assets of Company in one or a series of related transactions, or (iv) the execution by Company of an agreement to which Company is a party or by which it is bound, providing for any of the events set forth above in (i), (ii) or (iii).

If any Event of Default will occur and be continuing, the Noteholder will have the right, by notice to the Company, to declare the entire principal amount then outstanding on this Note and accrued interest thereon immediately due and payable, whereupon all such amounts will become immediately due and payable, all without diligence, presentment, demand of payment, protest or further notice of any kind, all of which are hereby expressly waived by the Company.

If an Event of Default will have occurred and be continuing, the Noteholder is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all indebtedness, if any, at any time owing by the Noteholder to or for the credit or the account of the Company against any and all of the obligations of the Company now or hereafter existing under this Note, whether or not the Noteholder will have made any demand under this Note and although such obligations may be unmatured. By acceptance of this Note, the Noteholder agrees to promptly notify the Company after any such setoff and application, *provided* that the failure to give such notice will not affect the validity of such setoff and application. The rights of the Noteholder under this Section 2 are in addition to other rights and remedies (including, without limitation, other rights of setoff) which the Noteholder may have.

No right or remedy herein conferred upon or reserved to the Noteholder is intended to be exclusive of any other right or remedy, and every right and remedy will, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder will not prevent the concurrent assertion or employment of any other appropriate right or remedy.

3. **Prepayment.** The Company may prepay the Principal Balance, either in whole or in part, at any time and from time to time, without penalty.

4. **Negative Covenants.** As long as any portion of this Note remains outstanding, unless the Noteholder shall have otherwise given prior written consent, the Company shall not, and, other than under clause (b) hereunder with respect to dividends or distributions to the Company or a subsidiary or a distribution to an equity interest holder of a non-wholly owned subsidiary, shall not permit any of its subsidiaries to, directly or indirectly:

(a) amend its charter documents, including, without limitation, its certificate of incorporation and bylaws, in any manner that materially and adversely affects any rights of the Noteholder under this Note;

(b) pay cash dividends or distributions on any equity securities of the Company;

(c) (i) during any time in which the Company's Coverage Ratio equals or exceeds 200%, enter into or incur any indebtedness for borrowed money of any kind, other than indebtedness owing to the Noteholder and indebtedness incurred in the ordinary course of business and an aggregate of \$250,000 of indebtedness for borrowed money in any 12 month period, or (ii) enter into, create or incur any liens of any kind (other than liens that have arisen under law or customary arrangement in the ordinary course of business);

(d) enter into any transaction with any affiliate of the Company in excess of \$120,000, unless such transaction is made on an arm's-length basis and expressly approved by a majority of the disinterested directors of the Company (even if less than a quorum otherwise required for board approval); or

(e) enter into any agreement with respect to any of the foregoing.

For purposes herein, (A) "Coverage Ratio" means the ratio of the amount of the Company's Debt over the amount of Company's EBITDA, expressed as a percentage; (B) "Debt" means the liabilities of the Company and its consolidated Subsidiaries, determined in accordance with GAAP, consistently applied, other than normal course liabilities, including accounts payable, accrued expenses, deferred revenue, deferred license revenue and deferred rent. Debt shall be determined from the Company's most recently filed Form 10-K and Form 10-Q, as applicable, as supplemented by any financial information that is disclosed by the Company on Form 8-K; and (C) "EBITDA" means net income (or net loss) of the Company and its consolidated Subsidiaries before interest expense, provision for income taxes, depreciation and amortization, non-cash impairment loss, deferred rent, pre-opening expenses, non-recurring gains and losses, stock based compensation and losses from discontinued operations. EBITDA shall be determined from the Company's most recently filed Form 10-K and Form 10-Q, as applicable, as supplemented by any financial information that is disclosed by the Company on Form 8-K.

5. **Waiver; Payment of Fees and Expenses.** The Company waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note, and shall pay all costs of collection when incurred, including, without limitation, reasonable outside attorneys' fees, costs and other expenses. The right to plead any and all statutes of limitations as a defense to any demands hereunder is hereby waived to the full extent permitted by law. No delay by Noteholder shall constitute a waiver, election or acquiescence by it, nor shall any single or partial exercise of any right, power or remedy under this Note, or any abandonment or discontinuance of steps to enforce such a right, power or remedy, preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

6. **Interest.** Nothing contained herein shall require the Company to pay interest at a rate exceeding the maximum permissible rate under applicable law. If interest payable by the Company on any date would exceed the maximum permissible rate, such interest payment shall automatically be reduced to such maximum permitted amount.

7. **Waiver of Presentment, Etc.** Except as expressly set forth in this Note, the Company, and the Noteholder and all endorsers of this Note by acceptance or endorsement of this Note, hereby waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically provided herein, and assent to extensions of the time of payment, or forbearance or other indulgence without notice.

8. **Governing Law.** THIS NOTE WILL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. **Submission to Jurisdiction; Waiver of Jury Trial.** The Company and Noteholder each hereby submit to the exclusive jurisdiction of any state or federal court of competent jurisdiction in the state, county and city of New York for purposes of all legal proceedings arising out of or relating to this Note. Each of the Company and Noteholder irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. **TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE COMPANY AND HOLDER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE.**

10. **Miscellaneous.** The Company may not assign this Note or delegate any of its obligations or rights hereunder without the written consent of the Noteholder. The titles and subtitles used in this Note are used for convenience only and are not to be considered in construing or interpreting this Note. Any notice, request, demand, claim or other communication under this Note shall be given in accordance with Section 7(a) of the Loan Agreement.

[Signature page follows.]

In Witness Whereof, the undersigned has executed this **Unsecured Promissory Note** as of the date first written above.

THE COMPANY:

THE ONE GROUP HOSPITALITY, INC.,
a Delaware Corporation

/s/ Samuel Goldfinger

Name: Samuel Goldfinger

Title: Chief Financial Officer