

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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): August 19, 2024

**WRAP TECHNOLOGIES, INC.**

(Exact name of Registrant as specified in its Charter)

Delaware  
(State or other jurisdiction  
of incorporation)

000-55838  
(Commission File No.)

98-0551945  
(IRS Employer  
Identification No.)

1817 W 4th Street, Tempe, Arizona 85281  
(Address of principal executive offices)

(800) 583-2652  
(Registrant's Telephone Number)

Not Applicable  
(Former name or 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))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.0001 per share	WRAP	Nasdaq Capital Market

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

Emerging growth company

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

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

As previously disclosed, on June 29, 2023, Wrap Technologies, Inc. (the “Company”) entered into a Securities Purchase Agreement (the “Series A Purchase Agreement”) with certain directors of the Company and certain accredited investors (collectively, the “Series A Investors”), pursuant to which it agreed to sell to the Series A Investors in a registered direct offering: (i) shares of the Company’s newly-designated Series A Convertible Preferred Stock, with par value \$0.0001 per share and a stated value of \$1,000 per share (the “Series A Preferred Stock”); and (ii) warrants to purchase shares of the Company’s common stock (“Common Stock”), par value \$0.0001 per share (the “Warrants”). The terms of the Series A Preferred Stock are as set forth in the Certificate of Designations filed with the Secretary of State of the State of Delaware (the “Secretary of State”) on July 3, 2023 (the “Certificate of Designations”).

On August 19, 2024, the Company entered into an Amendment Agreement (the “Amendment”) with the Required Holders (as defined in the Certificate of Designations). Pursuant to the Amendment, the Required Holders agreed that (A) the unpaid and accrued dividends on the Series A Preferred Stock due July 1, 2024 (the “July Delinquent Dividend Amount”), shall be payable, at the option of the Company, in (i) cash and/or (ii) shares of Common Stock, at a price per share of Common Stock equal to the lower of (x) \$1.00 and (y) the Dividend Conversion Price (as defined in the Certificate of Designations), using July 1, 2024, as the applicable date of determination in accordance with the Certificate of Designations; (B) the dividends due on October 1, 2024 (the “October Dividend Amount” and, together with the July Delinquent Dividend Amount, the “Delinquent Dividend Amounts”), shall be payable in shares of Common Stock based on a per share price of Common Stock equal to 80% of the arithmetic average of the three (3) lowest closing sale prices of the Common Stock during the month of September 2024; and (C) such Delinquent Dividend Amounts and any Dividend Balance Shares (as defined in the Certificate of Designations), with respect thereto, if applicable, shall be delivered on October 1, 2024. The Company and the Required Holders further agreed pursuant to the Agreement to amend (i) the Certificate of Designations, as described below, by filing a Certificate of Amendment to the Certificate of Designations (the “Certificate of Amendment”) and (ii) the Series A Purchase Agreement to amend the definition of “Excluded Securities.”

The Certificate of Amendment amends the Certificate of Designations to, among other things, (A) allow for the payment of dividends in the form of Common Stock to a holder of the Series A Preferred Stock who serves as a director, officer or employee of the Company; provided that such issuance is approved by the Company’s stockholders prior to such issuance, and (B) amend certain conditions required for (i) a mandatory conversion of the Series A Preferred Stock, and (ii) the Company’s right to redeem, all or a portion, of the Series A Preferred Stock outstanding pursuant to an optional redemption, in each case, pursuant to the terms of the Certificate of Designations.

The Certificate of Amendment was filed with the Secretary of State, effective as of August 23, 2024.

### Item 3.03 Material Modification to Rights of Security Holders.

The matters described in Item 1.01 of this Current Report on Form 8-K related to the Series A Preferred Stock and the filing of the Certificate of Amendment are incorporated herein by reference.

### Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

The matters described in Item 1.01 of this Current Report on Form 8-K related to the Series A Preferred Stock and the filing of the Certificate of Amendment are incorporated herein by reference.

### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
3.1	<a href="#">Certificate of Amendment of Certificate of Designations of Series A Convertible Preferred Stock.</a>
10.1	<a href="#">Form of Amendment, dated August 19, 2024, by and between Wrap Technologies, Inc. and the investors party thereto.</a>
104	Cover Page Interactive Data File (formatted as Inline XBRL)

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**SIGNATURES**

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

**WRAP TECHNOLOGIES, INC.**

Date: August 23, 2024

By: /s/ Scot Cohen  
Scot Cohen  
Chief Executive Officer

**CERTIFICATE OF AMENDMENT OF  
CERTIFICATE OF DESIGNATIONS OF  
SERIES A CONVERTIBLE PREFERRED STOCK OF  
WRAP TECHNOLOGIES, INC.**

PURSUANT TO SECTION 242 OF THE  
DELAWARE GENERAL CORPORATION LAW

This Certificate of Amendment to the Certificate of Designations of Series A Convertible Preferred Stock (the “**Amendment**”) is dated as of August 23, 2024.

WHEREAS, the board of directors (the “**Board**”) of Wrap Technologies, Inc., a Delaware corporation (the “**Company**”), pursuant to the authority granted to it by the Company’s Certificate of Incorporation (the “**Certificate of Incorporation**”) and Section 151(g) of the Delaware General Corporation Law (the “**DGCL**”), has previously fixed the rights, preferences, restrictions and other matters relating to a series of the Company’s preferred stock, consisting of 10,000 authorized shares of preferred stock, classified as Series A Convertible Preferred Stock (the “**Preferred Stock**”) and the Certificate of Designations of the Preferred Stock (the “**Certificate of Designations**”) was initially filed with the Secretary of State of the State of Delaware on July 3, 2023 evidencing such terms;

WHEREAS, pursuant to Section 30(b) of the Certificate of Designations, the Certificate of Designations or any provision thereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose, or written consent without a meeting in accordance with the DGCL, of at least a majority of the outstanding Preferred Stock (provided, that such holders include Iroquois Master Fund Ltd.) (the “**Required Holders**”), voting separately as a single class, and with such stockholder approval, if any, as may then be required pursuant to the DGCL and the Certificate of Incorporation;

WHEREAS, the Required Holders pursuant to the Certificate of Designations have consented, in accordance with the DGCL, on August 19, 2024, to this Amendment on the terms set forth herein; and

WHEREAS, the Board has duly adopted resolutions proposing to adopt this Amendment and declaring this Amendment to be advisable and in the best interest of the Company and its stockholders.

NOW, THEREFORE, this Amendment has been duly adopted in accordance with Section 242 of the DGCL and has been executed by a duly authorized officer of the Company as of the date first set forth above to amend the terms of the Certificate of Designations as follows:

1. Section 3(b) of the Certificate of Designations is hereby amended and restated to read as follows (emphasis added):

(b) Dividend Shares and Cash Dividends. Dividends shall be payable on each Dividend Date, to the record holders of the Preferred Shares on the applicable Dividend Date, in cash (“Cash Dividends”); provided, however, that the Company may, at its option following notice to each Holder, pay Dividends on any Dividend Date in shares of Common Stock (“Dividend Master Shares”) so long as there has been no Equity Conditions Failure or, so long as there has been no Equity Conditions Failure, in a combination of Cash Dividends and Dividend Shares; provided, further, that, a Holder who serves as a director, officer or is an employee of the Company may be paid Dividend Shares only if such issuance is approved by the stockholders of the Company prior to such issuance. The Company shall deliver a written notice (each, a “Dividend Election Notice”) to each Holder on or prior to the twenty-third (23rd) Trading Day prior to the applicable Dividend Date (the “Dividend Notice Due Date”) (the date such notice is delivered to all of the Holders, the “Dividend Notice Date”) which notice (1) either (A) confirms that Dividends to be paid on such Dividend Date shall be paid entirely in Dividend Shares or (B) elects to pay Dividends as Cash Dividends or a combination of Cash Dividends and Dividend Shares and specifies the amount of Dividends that shall be paid as Cash Dividends and the amount of Dividends, if any, that shall be paid in Dividend Shares, (2) unless the Company has elected to pay Dividends solely as Cash Dividends, certifies that there has been no Equity Conditions Failure as of such Dividend Notice Date and (3) states the number of issued and outstanding shares of Common Stock as of such Dividend Notice Date. If there is an Equity Conditions Failure as of the Dividend Notice Date, then unless the Company has elected to pay such Dividends as Cash Dividends, the Dividend Election Notice shall indicate that unless such Holder waives the Equity Conditions Failure, the Dividends shall be paid as Cash Dividends. If the Company confirmed the payment of the applicable Dividends in Dividend Shares, in whole or in part, and if there was no Equity Conditions Failure as of the applicable Dividend Notice Date but an Equity Conditions Failure occurred between the applicable Dividend Notice Date and any time prior to the applicable Dividend Date (an “Interim Dividend Period”), the Company shall provide the Holders a subsequent notice to that effect indicating that unless such Holder waives the Equity Conditions Failure, the Dividends shall be paid as Cash Dividends. If there occurs an Equity Conditions Failure (which is not waived in writing by a Holder) during such Interim Dividend Period, then at the option of such Holder, such Holder may require the Company to pay the amount of Dividends (including any portion of the Pre-Dividend Shares (as defined below)) payable on the applicable Dividend Date as a Cash Dividend. If any portion of Dividends for a particular Dividend Date shall be paid in Dividend Shares, then (I) on or prior to the twenty-first (21st) Trading Day prior to the applicable Dividend Date (the “Dividend Pre-Payment Date”), the Company shall issue to each Holder, in accordance with Section 3(c), a number of shares of Common Stock equal to (x) the amount of Dividends payable on the applicable Dividend Date in Dividend Shares divided by (y) the applicable Initial Dividend Conversion Price (the “Pre-Dividend Shares”) and (II) on the applicable Dividend Date, the Company shall deliver a notice setting forth the calculation of the Dividend Balance Shares (and the calculation of the component parts of such calculation) and issue to each Holder, in accordance with Section 3(c), a number of shares of Common Stock equal to any Dividend Balance Shares. All Pre-Dividend Shares and Dividend Shares shall be fully paid and nonassessable shares of Common Stock (rounded up to the nearest whole share). For purposes hereof, “Initial Dividend Conversion Price” means, with respect to any Dividend Pre-Payment Date or other applicable date of determination, that price which shall be the lowest of (i) the then applicable Conversion Price and (ii) 85% of the arithmetic average of the three (3) lowest Closing Sale Prices of the Common Stock during the twenty (20) consecutive Trading Day period ending on the Trading Day immediately preceding the applicable Dividend Pre-Payment Date or other applicable date of determination, provided that such price shall not be lower than the Floor Price. All such determinations to be appropriately adjusted for any stock split, stock dividend, stock combination, reclassification or other similar transaction during such period. Holders that are directors or officers of the Company may only receive Cash Dividends.

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2. Section 4(e) of the Certificate of Designations is hereby amended and restated to read as follows (emphasis added):

(e) Mandatory Conversion. If at any time from and after the date hereof, (i) the closing price of the Company's Common Stock on the Trading Market equals or exceeds \$8.00 per share (which amount may be adjusted for certain capital events, such as stock splits, as described herein) for 20 consecutive Trading Days (the "Mandatory Conversion Measuring Period") and (ii) the daily dollar trading volume for the Company's Common Stock on the Trading Market exceeds \$2,000,000 per Trading Day for the Mandatory Conversion Measuring Period and (iii) the Equity Conditions are satisfied on each Trading Day of the Mandatory Conversion Measuring Period, then the Company shall have the right to require the Holder to mandatorily convert all or any portion of the Preferred Shares, including the Make-Whole Amount, the Additional Amount and any accrued but unpaid Late Charges, as designated in the Mandatory Conversion Notice on the Mandatory Conversion Date (each as defined below) into fully paid, validly issued and nonassessable shares of Common Stock at the Conversion Price as of the Mandatory Conversion Date (as defined below) (a "Mandatory Conversion"), provided that the number of Preferred Shares that may be subject to Mandatory Conversion at any given time shall be limited by the provisions of Section 4(d)(i). The Company may exercise its right to require conversion under this Section 4 by delivering within not more than two days following the end of such Mandatory Conversion Measuring Period a written notice thereof by electronic mail to the Holder (the "Mandatory Conversion Notice") and the date that the Holder received such notice is referred to as the "Mandatory Conversion Notice Date"). The Mandatory Conversion Notice shall be irrevocable. The Mandatory Conversion Notice shall state (I) the Trading Day on which the Mandatory Conversion shall occur, which shall be the second (2nd) Trading Day following the Mandatory Conversion Notice Date (the "Mandatory Conversion Date") and (II) the aggregate number of Preferred Shares which the Company has elected to be subject to such Mandatory Conversion from the Holder (the "Mandatory Conversion Amount") pursuant to this Section 4. If the Equity Conditions cease to be satisfied during Mandatory Conversion Measuring Period then, at the option of the Holder, the Mandatory Conversion shall be deemed withdrawn and void ab initio. For clarity, the Holder shall be entitled to convert the Preferred Shares at any time and from time to time during the Mandatory Conversion Measuring Period pursuant to Section 4(a).

3. Section 11(i) of the Certificate of Designations is hereby amended and restated to read as follows (emphasis added):

(i) At any time beginning 18 months after the Closing Date and provided that the Equity Conditions are satisfied on each Trading Day during the Optional Redemption Notice Period prior to the Optional Redemption Date, and provided further that the Company has filed all reports required to be filed by it pursuant to the 1934 Act on a timely basis for a continuous period of one year, the Company shall have the right to redeem, all or some, of the Preferred Shares outstanding at such time (the "Optional Redemption") at a redemption price equal to the product of (x) the Redemption Premium multiplied by (y) the Conversion Amount of the Preferred Shares being redeemed (such price, the "Optional Redemption Price"). Notwithstanding the foregoing, the Company will not exercise its rights to Optional Redemption, or otherwise send a Notice of Optional Redemption (as defined below) unless the Company has sufficient funds legally available to fully pay the Optional Redemption Price in respect of all Preferred Shares called for Optional Redemption. The Optional Redemption Price shall be payable in cash.

4. Section 31(z) of the Certificate of Designations is hereby amended and restated to read as follows (emphasis added):

(z) "Excluded Securities" means (i) shares of Common Stock or options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued or issuable to directors, consultants, officers, employees or other service providers of the Company for services rendered to the Company in their capacity as such pursuant to an Approved Stock Plan (as defined above), provided that (A) all such issuances (taking into account the shares of Common Stock issuable upon exercise of such awards) after the Subscription Date pursuant to this clause (i) do not, in the aggregate, exceed more than 12% of the shares of Common Stock issued and outstanding immediately prior to the Subscription Date and (B) the exercise price of any such options is not lowered, none of such options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such options are otherwise materially changed in any manner that adversely affects any of the Holders; (ii) Convertible Securities and/or shares of Common Stock issued or issuable upon the conversion or exercise of Convertible Securities (other than options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued or issuable pursuant to an Approved Stock Plan that are covered by clause (i) above) issued prior to the Subscription Date, provided that the conversion, exercise or issuance price of any such Convertible Securities (other than options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) is not lowered (other than in accordance with the terms thereof in effect as of the Subscription Date), none of such Convertible Securities (other than options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities (other than options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects any of the Holders; (iii) the shares of Common Stock issuable upon conversion of the Preferred Shares or otherwise pursuant to the terms of this Certificate of Designations; provided, that the terms of this Certificate of Designations are not amended, modified or changed on or after the Subscription Date (other than antidilution adjustments pursuant to the terms hereof in effect as of the Subscription Date), (iv) the Warrant Shares; provided, that the terms of the Warrants are not amended, modified or changed on or after the Subscription Date (other than in accordance with the terms thereof, including antidilution adjustments pursuant to the terms thereof in effect as of the Subscription Date), (v) securities issued as consideration for the acquisition of another entity by the Company by merger, purchase of substantially all of the assets or other reorganization or bona fide joint venture agreement, provided that such issuance is approved by the majority of the disinterested directors of the Company, and (vi) Dividend Shares and shares of Common Stock issued in connection with the payment of Dividends.

[Signature Page Follows]

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IN WITNESS WHEREOF, the Company has caused this Amendment to be signed by its duly authorized officer this 23rd day of August, 2024.

**WRAP TECHNOLOGIES, INC.**

By: /s/ Scot Cohen  
Name: Scot Cohen  
Title: Chief Executive Officer

## AGREEMENT AND AMENDMENT

This Agreement and Amendment (this "Agreement"), dated as of August 19, 2024, is by and among Wrap Technologies, Inc., a Delaware corporation (the "Company"), and each investor listed on the signature page attached hereto (collectively, the "Investors").

## WITNESSETH

WHEREAS, the Company and the Investors are party to that certain Securities Purchase Agreement, dated as of June 29, 2023 (the "Purchase Agreement"), pursuant to which the Company issued to the Investors shares of the Company's Series A Convertible Preferred Stock, par value \$0.0001 per share (the "Preferred Stock"), the terms of which are set forth in the Certificate of Designations (the "Certificate of Designations"), and warrants (the "Warrant," and, together with the Purchase Agreement and the Certificate of Designations, the "Transaction Documents") to purchase shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock");

WHEREAS, (i) pursuant to Section 30(b) of the Certificate of Designations, the Certificate of Designations or any provision thereof may be amended by written consent without a meeting in accordance with the DGCL, of the Required Holders (as defined in the Certificate of Designations), voting separately as a single class, and (ii) pursuant to Section 9(e) of the Purchase Agreement, the Purchase Agreement may be amended by the Required Holders (as defined in the Purchase Agreement) (in each case of clauses (i) and (ii), provided, that such holders include Iroquois Master Fund Ltd.);

WHEREAS, the undersigned constitute the Required Holders pursuant to the Certificate of Designations and the Purchase Agreement;

WHEREAS, on July 1, 2024, the Company failed to pay to the holders of the Preferred Stock the respective Dividends then due on such date (the "Delinquent Dividend Amount") under Section 3 of the Certificate of Designations;

WHEREAS, in satisfaction of the Company's obligations under the Certificate of Designations to deliver the Delinquent Dividend Amount, the Company and the Investors have agreed that the Delinquent Dividend Amount shall be payable, at the option of the Company, in (i) cash and/or (ii) shares of Common Stock, at a price per share of Common Stock equal to the lower of (A) \$1.00 and (B) the Dividend Conversion Price, using July 1, 2024, as the applicable date of determination in accordance with the Certificate of Designations;

WHEREAS, with respect to the Dividend Date falling on October 1, 2024, the Company and the Investors have agreed that the Dividends then due on such date (the "October Dividend Amount") shall be payable in shares of Common Stock based on a per share price of Common Stock equal to 80% of the arithmetic average of the three (3) lowest Closing Sale Prices of the Common Stock during the month of September 2024; and

WHEREAS, the Company and the Investors have agreed that each of (i) the Delinquent Dividend Amount, (ii) the October Dividend Amount, (iii) any Dividend Balance Shares, if applicable, with respect to the Delinquent Dividend Amount, and (iv) any Dividend Balance Shares, if applicable, with respect to the October Dividend Amount, shall be delivered on October 1, 2024 and the Pre-Dividend Shares with respect to each of the Delinquent Dividend Amount and the October Dividend Amount, if applicable, shall be delivered to the Investors on or prior to the twenty-first (21st) Trading Day prior to October 1, 2024.

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NOW, THEREFORE, in consideration of the premises and mutual covenants and obligations hereinafter set forth, the parties hereto, intending legally to be bound, hereby agree as follows:

1. Definitions. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings given such terms in the Certificate of Designations.
2. Payment of Dividends. The parties hereto agree that (i) the payment of the Delinquent Dividend Amount shall be payable, at the option of the Company, in cash and/or shares of Common Stock, based on a price per share of Common Stock equal to the lower of (A) \$1.00, and (B) the Dividend Conversion Price, using July 1, 2024, as the applicable date of determination in accordance with the Certificate of Designations, and (ii) the October Dividend Amount shall be payable in shares of Common Stock based on a per share price of Common Stock equal to 80% of the arithmetic average of the three (3) lowest Closing Sale Prices of the Common Stock during the month of September 2024. The parties further agree that each of (i) the Delinquent Dividend Amount, (ii) the October Dividend Amount, (iii) any Dividend Balance Shares, if applicable, with respect to the Delinquent Dividend Amount, and (iv) any Dividend Balance Shares, if applicable, with respect to the October Dividend Amount, shall be delivered on October 1, 2024 and the Pre-Dividend Shares with respect to each of the Delinquent Dividend Amount and the October Dividend Amount, if applicable, shall be delivered to the Investors on or prior to the twenty-first (21st) Trading Day prior to October 1, 2024.
3. Amendment to Purchase Agreement. The parties hereto hereby agree to amend and restate Section 4(k) of the Purchase Agreement to read as follows (emphasis added):

(k) Additional Issuance of Securities. So long as any Buyer beneficially owns any Preferred Shares or Warrants, the Company will not, without the prior written consent of the Required Holders, directly or indirectly, issue (i) from the Closing Date until the 18 months anniversary of the Closing Date, any shares of Common Stock or any Convertible Securities at a purchase price or conversion price, as applicable, below the applicable Conversion Price (as defined in the Certificate of Designations) until an aggregate of eighty percent (80%) of the Preferred Shares have been converted into shares of Common Stock or (ii) any other securities that would cause a breach or default under the Certificate of Designations or the Warrants. The Company agrees that for the period commencing on the date hereof and ending on the date immediately following the 180th day after the Closing Date, neither the Company nor any of its Subsidiaries shall directly or indirectly issue, offer, sell, grant any option or right to purchase, or otherwise dispose of (or announce any issuance, offer, sale, grant of any option or right to purchase or other disposition of) any equity security or any equity-linked or related security (including, without limitation, any "equity security" (as that term is defined under Rule 405 promulgated under the 1933 Act), any Convertible Securities (as defined below), any preferred stock or any purchase rights) (any such issuance, offer, sale, grant, disposition or announcement (whether occurring during the Restricted Period or at any time thereafter), is referred to as a "**Subsequent Placement**"). Notwithstanding the foregoing, this Section 4(k) shall not apply in respect of the issuance of (i) shares of Common Stock or options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued or issuable to directors, consultants, officers, employees or other service providers of the Company for services rendered to the Company in their capacity as such pursuant to an Approved Stock Plan (as defined below), provided that (1) all such issuances (taking into account the shares of Common Stock issuable upon exercise of such awards) after the date hereof pursuant to this clause (i) do not, in the aggregate, exceed more than 12% of the shares of Common Stock issued and outstanding immediately prior to the date hereof and (2) the exercise price of any such options is not lowered and none of such options are amended to increase the number of shares issuable thereunder or extend the term of such options; (ii) Convertible Securities and/or shares of Common Stock issued or issuable upon the conversion or exercise of Convertible Securities (other than options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for Common Stock issued or issuable pursuant to an Approved Stock Plan that are covered by clause (i) above) issued prior to the date hereof, provided that the conversion, exercise or other method of issuance (as the case may be) of any such Convertible Security is made solely pursuant to the conversion, exercise or other method of issuance (as the case may be) provisions of such Convertible Security that were in effect on the date immediately prior to the date of this Agreement, the conversion, exercise or issuance price of any such Convertible Securities (other than standard options to purchase shares of Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) is not lowered, none of such Convertible Securities (other than options to purchase Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities (other than those issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are otherwise materially changed in any manner that materially adversely affects any of the Buyers; (iii) the Preferred Shares, (iv) the Conversion Shares, (v) the Dividend Shares and any other shares of Common Stock otherwise issued in connection with the payment of Dividends (as defined in the Certificate of Designations); (vi) the Warrant Shares and any other securities issued or issuable pursuant to this Agreement or any of the Transaction Documents, including, without limitation, any shares of Common Stock issued or issuable pursuant to Section 9 of the Certificate of Designations, and (vi) securities issued as consideration for the acquisition of another entity by the Company by merger, purchase of substantially all of the assets or other reorganization or bona fide joint venture agreement, provided that such issuance is approved by the majority of the disinterested directors of the Company and provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the Restricted Period (each of the foregoing in clauses (i) through (vi), collectively the "**Excluded Securities**") and (vii) provided the Equity Conditions (as defined in the Certificate of Designations) are then satisfied and the closing price of the Common Stock on the Trading Market equals or exceeds 200% of the initial Conversion Price (as defined in the Certificate of Designations) for three consecutive Trading Days, sales of shares of Common Stock or Convertible Securities at a per share purchase price in excess of the greater of (a) 160% of the initial Conversion Price (as defined in the Certificate of Designations) or the Closing Sale Price for the previous Trading Day (as adjusted for stock splits, stock dividends, stock combinations, recapitalizations and similar events; provided that if 90% of the aggregate Stated Value (as defined in the Certificate of Designations) of the Preferred Shares has been paid in full to the Buyers or otherwise converted to Common Stock, then the Company may sell shares of Common Stock at a per share purchase price in excess of the greater of (a) 130% of the exercise price of the Warrants), or the Closing Sale Price for the previous Trading Day. "**Approved Stock Plan**" means any employee benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the date hereof pursuant to which shares of Common Stock or other awards convertible, exercisable for or exchangeable for shares of Common Stock may be issued to any employee, officer, director or other service provider for services provided to the Company and/or a Subsidiary in their capacity as such.

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4. Amendment to the Certificate of Designations. The parties hereto hereby agree to amend the rights of the Preferred Stock as set forth in the Amendment to the Certificate of Designations attached as Exhibit A hereto (the "Amendment"). Upon the effectiveness of this Agreement, the Company shall promptly file the Amendment and provide a copy thereof to each Investor promptly after such filing.
  5. Counterparts; Facsimile Execution. This Agreement may be executed in one or more counterparts (including by electronic mail, in PDF or by DocuSign or similar electronic signature), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.
  6. Governing Law. THIS AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING GOVERNING LAW SET FORTH IN SECTION 9(A) OF THE PURCHASE AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.
  7. Terms and Conditions of the Transaction Documents. Except as modified and amended herein, all of the terms and conditions of the Transaction Documents shall remain in full force and effect.
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*[Company Signature Page to Agreement and Amendment]*

IN WITNESS WHEREOF, the undersigned has executed and delivered this Agreement as of the date first above written.

**Company:**

**WRAP TECHNOLOGIES, INC.**

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

Name: Scot Cohen

Title: Chief Executive Officer

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*[Investor Signature Page to Agreement and Amendment]*

IN WITNESS WHEREOF, the undersigned has executed and delivered this Agreement as of the date first above written.

Investors:

By: \_\_\_\_\_  
Name of signatory:  
Title:

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**Exhibit A**

**Form Amendment to the Certificate of Designations  
of Series A Convertible Preferred Stock**