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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report . . . . . .

For the transition period from to

Commission file number: 001-38203

Mynd.ai, Inc.

(Exact name of Registrant as specified in its charter)

Not applicable

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

Maples Corporate Services Limited,
PO Box 309,
Ugland House,
Grand Cayman KY1-1104
Cayman Islands

(Address of principal executive offices)

Arthur Giterman, Chief Financial Officer
720 Olive Way, Suite 1500
Seattle, WA 98101
Phone: (888) 652-2848
Email: Arthur.Giterman@prometheanworld.com

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depositary shares, each representing 10 ordinary shares par value US$0.001 per share*	MYND	NYSE American

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2023, there were 456,477,820 ordinary shares outstanding, par value US$0.001 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. □ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
□ Yes ☒ No
Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
☒ Yes □ No
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes □ No
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer,"accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer □	Accelerated filer □	Non-accelerated filer ☒	Emerging growth company □

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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. □

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b) by the registered public accounting firm that prepared or issued its audit report. □

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. □

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). □

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP	☒	International Financial Reporting Standards as issued by the International Accounting Standards Board	□	Other	□

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. □ Item 17 □ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). □ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

□ Yes □ No

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INTRODUCTION

As used in this Annual Report on Form 20-F (this "Annual Report"), unless the context otherwise requires or otherwise states, references to the "Company," "Mynd," "we," "us," "our," and similar references refer to Mynd.ai, Inc., a company formed under the laws of the Cayman Islands, and its subsidiaries.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other U.S. federal securities laws. These statements relate to our current expectations and views of future events, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements relating to:

- our goals and strategies;
- our future business development, financial conditions and results of operations;
- our expectations regarding demand for our educational products and services;
- our ability to attract and retain customers;
- our ability to develop new products and improve and enhance our existing solutions to address additional applications and markets;
- our competitiveness and ability to adapt to technological developments in the use of artificial intelligence;
- our ability to attract, retain and motivate qualified personnel;
- the effect of the recent Merger (hereinafter defined) on our ability to maintain relationships with our customers and business partners, or on our operating results and business generally;
- our cash needs and financing plans;
- competition in our industry;
- our ability to protect ourselves against cybersecurity risks and threats;
- our ability to protect or monetize our intellectual property;
- our ability to maintain the listing of our securities on a national securities exchange; and
- relevant government policies and regulations relating to our industry.

You should read this Annual Report and the documents that we refer to in this Annual Report and have filed as exhibits to this Annual Report completely and with the understanding that our actual future results may be materially different from what we expect. Other sections of this Annual Report discuss factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this Annual Report relate only to events or information as of the date on which the statements are made in this Annual Report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not Applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3. KEY INFORMATION

Corporate Overview and Structure

Mynd.ai, Inc. (“Mynd” or the “Company”) is a Cayman Islands exempted company and conducts its business through various subsidiaries. Our operations are principally focused in the United States ("U.S."), Europe, the United Kingdom ("U.K."), and Singapore. Unless otherwise indicated, all references to the “Company”, “we”, “us”, our” shall mean the Company and its subsidiaries. For more information on our subsidiaries, please see Item 4C below.

A. [Reserved]

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable

D. Risk Factors

The following discussion summarizes material factors that could make an investment in us speculative or risky and should be considered carefully. These risks are interrelated and you should treat them as a whole. Additional risks and uncertainties not presently known to us may also materially and adversely affect our business operations, the value of our ordinary shares/American Depository Shares ("ADS") and our ability to pay dividends to our shareholders. In connection with the forward-looking statements that appear in this Annual Report, in these risk factors and elsewhere, you should carefully review the section above entitled “Forward-Looking Statements.”

Risks Related to our Business and Industry

We generate a substantial portion of our revenue from the sale of large format interactive display products, and any significant reduction in the sales of these products would materially harm our business.

We currently generate a majority of our revenue from the sale of large format Interactive Flat Panel Display (IFPD) products. A decrease in demand for our interactive flat panel displays would significantly reduce our revenue. If any of our competitors introduce attractive alternatives to their interactive flat panel displays, we could experience a significant decrease in our sales as customers migrate to those alternative products, which could have a material adverse effect on our business, financial condition or results of operation.

As a result of market saturation, future sales of interactive displays in developed markets may slow or decrease.

As a result of the high levels of penetration in certain developed markets, such as the U.S., U.K., Denmark and the Netherlands, the education market for interactive flat panel displays may reach saturation levels. Future sales growth in those markets and other developed markets with similar penetration levels may, as a result, be difficult to achieve, and the Company’s sales of interactive flat panel displays may decline in those countries. If we are unable to replace the revenue and earnings that we have historically derived from sales of interactive flat panel displays to

the education market in these developed markets, our business, financial condition and results of operations may be materially adversely affected.

Our business is subject to seasonal fluctuations, which may cause our operating results to fluctuate from quarter-to-quarter and adversely affect our working capital and liquidity throughout the year.

Our revenues and operating results normally fluctuate as a result of seasonal variations in our business, driven largely by the purchasing cycles of the educational market. Since the majority of our revenue is driven by U.S. sales and since the bulk of expenditures by school districts occur in the second and third calendar quarters after receipt of budget allocations, we expect quarterly fluctuations in our revenues and operating results to continue. These fluctuations could result in volatility and adversely affect our cash flow. As our business grows, these seasonal fluctuations may become more pronounced. As a result, we believe that sequential quarterly comparisons of our financial results may not provide an accurate assessment of our financial position.

Fluctuations in foreign currency exchange rates could harm our financial performance.

We are subject to inherent risks attributed to operating in a global economy. The Company generates approximately 71% of its revenue in the U.S., and 29% of its revenue from outside of the U.S., and the majority of our international sales are denominated in foreign currencies. As a result, any movement in the exchange rates between U.S. dollars and the currencies in which we conduct sales in foreign countries may affect our performance. For example, fluctuations in foreign currencies such as the Sterling, Euro and Chinese Yuan, could have an adverse impact on our revenue and operating results. Gains or losses from the revaluation of certain cash balances, accounts receivable, and intercompany balances that are denominated in these currencies will then also adversely impact our net (loss) income.

We rely on highly skilled personnel, and, if we are unable to attract, retain or motivate qualified personnel, we may not be able to operate our business effectively.

Our success depends in large part on continued employment of senior management and key personnel who can effectively operate our business, as well as our ability to attract and retain skilled employees. Competition for highly skilled management, technical, research and development (or "R&D") and other employees is intense in the high-technology industry and we may not be able to attract or retain highly qualified personnel in the future. In making employment decisions, particularly in the high-technology industry, job candidates often consider the value of the equity awards they would receive in connection with their employment. Our long-term incentive programs may not be attractive enough or perform sufficiently to attract or retain qualified personnel.

Our success also depends on having highly trained financial, technical, recruiting, sales and marketing personnel. A shortage in the number of people with these skills or our failure to attract them could impede our ability to increase revenues from our existing products and services, ensure full compliance with federal, state and other applicable regulations, or launch new product offerings and would have an adverse effect on our business and financial results.

We rely on third-party contractors located in countries outside of the U.S. (including contractors employed by affiliated companies of our controlling shareholder) for development of our products, which exposes us to risks associated with doing business in that geographic area. If we are not able to continue to use those third-party contractors, our business, financial conditions, and results of operations may be adversely affected.

We use third-party contractors including contractors employed by affiliated companies of our controlling shareholder, who are located in China and other countries outside the U.S. to develop current and future product lines, and we expect to continue to use such third party contractors, which exposes us to risks associated with reliance on third-party contractors, including but not limited to:

- the failure of the third party to develop our products on-schedule, or at all, including if our third-party contractors give greater priority to the supply of other products over our products or otherwise do not satisfactorily perform according to the terms of the agreements between us and them;
- the termination or non-renewal of arrangements or agreements by our third-party contractors at a time that is costly or inconvenient for us;

- the breach by the third-party contractors of our agreements with them;
- the failure of third-party contractors to comply with applicable regulatory requirements;
- the failure of the third party to develop our products according to our specifications;
- the misappropriation or unauthorized disclosure of our intellectual property or other proprietary information, including our trade secrets and know-how.

In addition, any disruption in production or inability of our third-party contractors in China to develop products that meet our needs, whether as a result of a natural disaster, pandemics, trade disruptions or other causes, could impair our ability to operate our business on a day-to-day basis and to continue development of our product lines. For example, the Uyghur Forced Labor Prevention Act bans imports from China's Xinjiang region unless it can be shown that the goods were not produced using forced labor and this legislation may have an adverse effect on global supply chains which could adversely impact our business and results of operations.

We operate in a highly competitive industry, and if we are not able to maintain or increase our market share, our business, financial condition and results of operations may be adversely affected.

We are engaged in the interactive education industry. It faces substantial competition from developers, manufacturers and distributors of interactive learning products and solutions, including interactive whiteboards, interactive flat panel displays and any comparable or competitive new products that may be offered in the future. The industry is highly competitive and characterized by frequent product introductions and rapid technological advances. These advances include, for example, substantially increased capabilities and use of interactive whiteboards, interactive flat panel displays and micro-computer-based logging technologies and combinations of them. We face increased competition from companies with strong positions in certain markets we serve, and in new markets and regions that we may enter. These companies manufacture and/or distribute new, disruptive or substitute products that compete for the pool of available funds that previously could have been spent on interactive flat panel displays and associated products. Increased competition (particularly from Chinese manufacturers) or other competitive pressures have and may continue to result in price reductions, reduced margins or loss of market share, any of which could have a material adverse effect on our business, financial condition or results of operations.

In addition, some of our customers are required to purchase equipment by soliciting proposals from a number of sources and, in some cases, are required to purchase from the lowest bidder. While we attempt to price our products competitively based upon the relative features they offer, our competitors' prices and other factors, we are often not the lowest bidder and may lose sales to lower bidders.

Competitors may also be able to respond to new or emerging technologies and changes in customer requirements more effectively and faster than we can or devote greater resources to the development, promotion and sale of products than we can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of customers. If these interactive display competitors or other substitute or alternative technology competitors acquire significantly increased market share, it could have a material adverse effect on our business, financial condition or results of operations.

If we are unable to anticipate consumer preferences and successfully develop attractive products, we might not be able to maintain or increase our revenue or achieve profitability.

Our success depends on our ability to identify and originate product and industry trends as well as to anticipate and react to change in demands and preferences of customers in a timely manner. If we are unable to introduce new products or technologies in a timely manner or our new products or technologies are not accepted by our customers, our competitors may introduce more attractive products which would adversely impact our competitive position. Failure to respond in a timely manner to changing consumer preferences could lead to, among other things, lower revenues and excess inventory positions of outdated products.

If we are unable to continually enhance our products and to develop, introduce and sell new technologies and products at competitive prices and in a timely manner, our business will be harmed.

The market for interactive learning and collaboration solutions is still emerging and evolving. It is characterized by rapid technological change and frequent new product introductions, many of which may compete with, be considered as alternatives to or replace our interactive flat panel displays, such as tablet computers. Accordingly, our future success will depend upon our ability to enhance our products and to develop, introduce and sell new technologies and products offering enhanced performance and functionality at competitive prices and in a timely manner.

The development of new technologies and products involves time, substantial costs and risks. Our ability to successfully develop new technologies will depend in large measure on our ability to maintain a technically skilled research and development staff and to adapt to technological changes and advances in the industry. The success of new product introductions depends on a number of factors, including allocating sufficient research and development funding, allocating sufficient human resources, timely and successful product development, market acceptance, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of components in appropriate quantities and costs to meet anticipated demand, the risk that new products may have quality or other defects and our ability to manage distribution and production issues related to new product introductions. If we are unsuccessful in selling the new products that we develop and introduce, or any future products that we may develop, we may carry obsolete inventory and have reduced available working capital for the development of other new technologies and products.

If we are unable, for any reason, to enhance existing products and or develop, introduce and sell new products in a timely manner, or at all, in response to changing market conditions or customer requirements or otherwise, our business will be harmed.

Defects in our products can be difficult to detect before shipment. If defects occur, they could have a material adverse effect on our business.

Our products are highly complex and sophisticated and, from time to time, have contained and may continue to contain design defects or failures including software “bugs” or glitches that are difficult to detect and correct in advance of shipping. The occurrence of errors and defects in our products could result in loss of, or delay in, market acceptance of our products, including harm to our brand, and correcting such errors and failures in our products could require significant expenditure of capital by us. In addition, we are rapidly developing and introducing new products, and new products may have higher rates of errors and defects than our established products. The consequences of such errors, failures and other defects and claims could have a material adverse effect on our business, financial condition, results of operations and our reputation.

A failure to keep pace with developments in technology could impair our operations or competitive position.

Our business continues to demand the use of sophisticated systems and technology. These systems and technologies must be refined, updated and replaced with more advanced systems on a regular basis in order for us to meet our customers’ demands and expectations. We will need to respond to technological advances and emerging industry standards in a cost-effective and timely manner in order to remain competitive. The need to respond to technological changes may require us to make substantial, unanticipated expenditures. There can be no assurance that we will be able to respond successfully to technological change. If we are unable to respond to technological changes and meet customers’ demands and expectations in a timely basis or within reasonable cost parameters, or if we are unable to appropriately and timely train our employees to operate any of these new systems, our business could suffer. We also may not achieve the benefits that we anticipate from any new system or technology, and a failure to do so could result in higher than anticipated costs or could impair our operating results.

We may not be successful in our strategy to increase sales in the business and corporate markets.

A significant portion of our revenue has been derived from sales to the education market. Our business strategy contemplates expanding our sales in both the education market, as well as to the corporate sector. Successful expansion into the corporate market will require the Company to develop a unique offering specifically for the corporate market and to develop or acquire new software or partner with a third party to provide software that is attractive specifically to corporate customers. Additionally, we will be required to augment and develop new distribution and reseller relationships, and we may not be successful in developing those relationships. In addition,

widespread acceptance of our interactive solutions may not occur due to lack of familiarity with how our products work, the perception that our products are difficult to use and a lack of appreciation of the contribution they can make in the corporate market. In addition, our Promethean brands may be less recognized in these markets as compared to the education market. A key part of our strategy to grow in the corporate market is to develop strategic alliances with companies in the unified communications and collaboration sector, and there can be no assurance that these alliances will help us to successfully grow our sales in such market.

Furthermore, our ability to successfully grow in the corporate market depends upon revenue and cash flows derived from sales to the education market. As the education market represents a significant portion of our revenue and cash flow, we utilize cash from sales in the education market for our operating expenses. If we cannot continue to augment and develop new distributor and reseller relationships, market our brands, develop strategic alliances and innovate new technologies, we may not be successful in our strategy to grow in the corporate market.

We face significant challenges growing our sales in foreign markets.

For our products to gain broad acceptance in all markets, we may need to develop customized solutions specifically designed for each country in which we seek to grow sales and to sell those solutions at prices that are competitive in that country. If we are not able to develop, or choose not to support, customized products and solutions for use in a particular country, we may be unable to compete successfully in that country and our sales growth in that country will be adversely affected.

Growth in many foreign countries will require us to price our products competitively in those countries. In certain developing countries, we have been and may continue to be required to sell our products at prices significantly below those that we are currently charging in developed countries. Such pricing pressures could reduce our gross margins and adversely affect our revenue.

Our customers' experience with our products will be directly affected by the availability and quality of our customers' internet access. We are unable to control broadband penetration rates, and, to the extent that broadband growth in emerging markets slows, our growth in international markets could be hindered.

In addition, we may face lengthy and unpredictable sales cycles in foreign markets, particularly in countries with centralized decision making. In these countries, particularly in connection with significant technology product purchases, the Company has experienced recurrent requests for proposals, significant delays in the decision-making process and, in some cases, indefinite deferrals of purchases or cancellations of requests for proposals. If we are unable to overcome these challenges, the growth of our sales in these markets would be adversely affected, and we may be unable to recoup marketing costs, impairing our profitability.

We invest in research and development, and to the extent our research and development investments do not translate into new solutions or material enhancements to our current solutions, or if we do not use those investments efficiently, or such investments are not sufficient, our business and results of operations would be harmed.

A key element of our strategy is to invest in our research and development efforts to develop new products and improve and enhance our existing solutions to address additional applications and markets. If we do not spend our research and development budget efficiently or effectively on compelling innovation and technologies or if we do not invest enough in R&D, our business may be harmed and we may not realize the expected benefits of our strategy. Moreover, research and development projects can be technically challenging and expensive. The nature of these research and development cycles may cause us to experience delays between the time we incur expenses associated with research and development and the time we are able to offer compelling solutions and generate revenue, if any, from such investment. As a result of R&D cycles sometimes being delayed, there is a risk that employees working on those projects could exit the business midstream resulting in further delays in order to get new hires or existing employees up to speed on the projects. Additionally, anticipated customer demand for products or solutions that we are developing could decrease after the development cycle has commenced, rendering us unable to recover substantial costs associated with the development of such product or solution. If we expend a significant amount of resources on research and development and our efforts do not lead to the successful introduction or improvement of solutions that are competitive in our current or future markets, or if we do not invest sufficiently on research and development efforts, it would harm our business, financial condition and results of operations.

We may have difficulty in entering into and maintaining strategic alliances with large established third parties.

We have entered into and we may continue to enter into strategic alliances with third parties to gain access to new and innovative technologies and markets. These parties are often large, established companies. Negotiating and performing under these arrangements involves significant time and expense, and we may not have sufficient resources to devote to our strategic alliances, particularly those with companies that have significantly greater financial and other resources than we do. The anticipated benefits of these arrangements may never materialize, and performing under these arrangements may adversely affect our results of operations.

We are dependent on a limited number of third-party manufacturers and key suppliers for the components used in our products. Our suppliers may not be able to always supply components or products to us on a timely basis and on favorable terms, and as a result, our dependency on third party suppliers may adversely affect our revenues.

We do not manufacture any of the products we sell and distribute and, therefore, we rely on our suppliers for all products and components, and we depend on obtaining adequate supplies of quality components on a timely basis with favorable terms. Some of those components, as well as certain complete products that we sell are provided to us by only one key supplier or contract manufacturer. We are subject to disruptions in our operations if our sole or limited supply contract manufacturers decrease or stop production of components and products, or if such suppliers and contract manufacturers do not produce components and products of sufficient quantity. Alternative sources for our components are not always available. Many of our products and components are manufactured overseas. If we are not able to identify alternative sources for our components in a reasonable time or our sole or limited supply contract manufacturers are delayed in their ability to deliver components to us due to supply chain issues or otherwise, our business, financial condition and results of operations may be adversely affected.

In the event we need to and are unable to timely replace a major supplier with a supplier on substantially equivalent terms, we may be unlikely to meet demand for our products, which may materially adversely affect our business, financial condition and results of operations.

Reliance on third-party manufacturers and suppliers entails risks to which we would not be subject if we manufactured the components for our own products, including:

- reliance on the third parties for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreements by the third parties due to factors beyond our control or the insolvency of any of these third parties or other financial difficulties, labor unrest, natural disasters or other factors adversely affecting their ability to conduct their business; and
- possibility of termination or non-renewal of the agreements by the third parties, at a time that is costly or inconvenient for us, because of our breach of the manufacturing agreement or based on our own business priorities.

If our contract manufacturers or our suppliers fail to deliver the required commercial quantities of its components required for our products on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement manufacturers or suppliers capable of production at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, we would likely be unable to meet demand for our products, and we would lose potential revenue. It may also take a significant period of time to establish an alternative source of supply for our components, which may materially adversely affect our business, financial condition and results of operations.

We, like many other technology companies, rely on microchips and other components to develop our product line, which may face global shortage and supply chain issues, which could negatively affect our business, financial condition, and results of operations.

We rely on microchips and other components to develop our product line and any chip shortages and supply chain constraints would have an adverse impact on our ability to deliver products in a timely manner and increase our cost of sales due to rising prices for materials. In addition, long lead times for components, and events such as local disruptions, natural disasters or political conflict may cause unexpected interruptions to the supply of our products or components. Any such extended lead times for components or other significant adverse impacts on our supply chain could disrupt or delay our scheduled product deliveries to our customers, resulting in inventory

shortage, causing loss of sales and customers or increase in component costs resulting in lower gross margins and free cash flow that could negatively affect our business, financial condition and results of operations.

An information security incident, including a cybersecurity breach (whether the incident or breach is the Company's or one of our vendors), could have a negative impact on our business or reputation.

To meet business objectives, we rely on both internal information technology (IT) systems and networks, and those of third parties and their vendors, to process and store sensitive data, including confidential research, business plans, financial information, intellectual property, and personal data that may be subject to legal protection. The extensive information security and cybersecurity threats, which affect companies globally, pose a risk to the security and availability of these IT systems and networks, and the confidentiality, integrity and availability of our sensitive data. We continually assess these threats and make investments to increase internal protection, detection and response capabilities, as well as ensure our third-party providers have required capabilities and controls to address these risks. To date, we have not experienced any material impact to our business or operations resulting from information or cybersecurity attacks; however, because of the frequently changing attack techniques, along with the increased volume and sophistication of the attacks, there is the potential for us to be adversely impacted. This impact could result in reputational, competitive, operational or other business harm as well as financial costs and regulatory action. We maintain cybersecurity insurance in the event of an information security or cyber incident for our material legal entities; however, the coverage may not be sufficient to cover all financial losses or such losses may impact legal entities without cybersecurity insurance.

In addition, the risk of cybersecurity incidents has increased in connection with the ongoing war between Russia and Ukraine, driven by justifications such as retaliation for the sanctions imposed in conjunction with the war, or in response to certain companies' continued operations in Russia. For example, the war has been accompanied by cyberattacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect our operations and could increase the frequency and severity of cyber-based attacks against our information technology systems. While we have taken actions to mitigate such potential risks, the proliferation of malware from the war into systems unrelated to the war or cyberattacks against U.S. companies in retaliation for U.S. sanctions against Russia or U.S. support of Ukraine, could also adversely affect our operations.

Government regulation of education and student information is evolving, and unfavorable developments could have an adverse effect on our results of operations.

We are subject to regulations and laws specific to the education sector because we offer solutions and services to students, collect data from students, and offer education and training. Data privacy and security with respect to the collection of personally identifiable information from minors and in particular, students, continues to be a focus of worldwide legislation and regulation. Within the U.S., dozens of states have enacted student data privacy legislation that goes beyond any federal requirements relating to the collection and use of personally identifiable information and other data from minors. Many of these laws impose direct liability on education technology ("EdTech") operators. California, for example, passed the Student Online Personal Information Protection Act ("SOPIPA") which went into effect in 2016 and is considered to be the most comprehensive student data privacy legislation in the U.S. that specifically addressed the changing nature of technology usage in schools by putting responsibility for compliance on the EdTech industry. SOPIPA expressly prohibits operators of a website, online service, or mobile application used primarily for K-12 school purposes from commercializing the collection of covered student data - either by selling it, using it to target advertisements to students or their families, or collecting it for any other noneducational purpose. It applies to any EdTech company regardless of whether they have a contract in place with the school or district. It also removes the idea of consent, meaning parents and students cannot consent to a company's use of a student's personal information for commercial purposes. Since the end of 2016, 33 states have introduced a version of California's SOPIPA or a similar piece of legislation that regulates our industry known as the SUPER (Student User Privacy in Education Rights) Act, and 12 states have passed those bills into law. SOPIPA and SUPER, and other recent student privacy laws impose direct liability on EdTech operators.

The continued passage of student data legislation could harm our business by causing schools and districts to be hesitant to do business with EdTech providers for fear of violating new legislation and we may be hesitant to develop new technology which collects student data for fear of running afoul of the new legislation thus resulting in a decrease in revenue. These decreases could be caused by, among other possible provisions, the required use of disclaimers or other requirements before students can utilize our services. We post our privacy policies and practices

concerning the use and disclosure of student data on our website. However, any failure by us to comply with posted privacy policies, FTC requirements or other privacy-related laws and regulations could result in proceedings by governmental or regulatory bodies or by private litigants that could potentially harm our business, results of operations, and financial condition.

We plan to offer products which feature artificial intelligence (AI). As this technology is new and developing, it may present both compliance risks and reputational risks, and may require strategic investments. We will need to maintain our competitiveness and any failure to adapt to technological developments or industry trends could harm our business. In addition, regulation and fear associated with use of AI enabled products could result in customers refraining from purchasing our products which could potentially harm our business, results of operations, and financial condition.

We plan to offer products and possibly services which feature artificial intelligence (AI) as a component. Given the rapid developments in artificial intelligence, we believe it is likely that the education market has not kept up with recent developments in AI and will thus lag behind other markets in terms of adoption of products which contain AI features and functionality. AI algorithms require massive amounts of data in order to learn and become intelligent enough to be effective. There is a natural suspicion that (i) AI technology may collect data, specifically personal data which is not permitted under applicable law, (ii) AI technology may produce images and text which might infringe on the intellectual property ownership rights of other parties, and (iii) AI technology may use inaccurate or unreliable data to generate the AI thus resulting in inaccurate results or ineffective uses. It is possible that the education market will be cautious in purchasing products which have an AI component for fear that they will inadvertently run afoul of applicable data privacy laws, specifically student data privacy laws, or infringe on third party intellectual property. Furthermore, AI algorithms are based on machine learning and predictive analytics, which can create unintended biases and discriminatory outcomes. We plan to continue to implement measures to address algorithmic bias as we utilize AI features for our products and services. However, there is always a risk that algorithms could produce discriminatory or unexpected results or behaviors (e.g., "hallucinatory behavior," which involves the generation of fabricated information in response to a user's prompt that is presented as factually accurate) that could harm our reputation, business, customers, or stakeholders.

In addition, the use of AI involves significant technical complexity and requires specialized expertise, which presents risks and challenges to the adoption of AI components in our products and services. For example, algorithms may be flawed or datasets may be insufficient, and we may need to hire additional employees with specialized skill sets necessary to address such deficiencies. Any disruption or failure in our AI systems or infrastructure could result in delays or errors in our operations, which could harm our business, results of operations and financial results. Any imposed halt in the adoption of our anticipated AI systems or infrastructure could also harm our business, results of operations and financial results. If we do not sufficiently invest in new technology and industry developments such as AI features and functionality, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our ability to generate demand for services, attract and retain clients, and our ability to develop and achieve a competitive advantage and continue to grow could be negatively affected.

Further, the emergence of competitors who may be able to optimize products, services or strategies that use advanced computing such as cloud computing, as well as other technological changes and developing technologies, such as machine learning and AI, have, and will require us to make new and costly investments. Transitioning to new technologies may be disruptive to resources and the services we provide and may increase our reliance on third party service providers. We may not be successful or may be less successful than our current or new competitors, in developing technology that operates effectively across multiple devices and platforms and that is appealing to our customers, either of which would negatively affect our business and financial performance. Moreover, given the rapid pace at which AI has advanced, there has been a push by legislators and even the private sector to consider regulation of AI such that it is not used in a potentially harmful way. The potential for regulation and the fears and suspicions associated with use of AI enabled products could result in customers refraining from purchasing our products which could potentially harm our business, results of operations, and financial condition.

We are subject to claims, suits, government investigations, other proceedings, and consent decrees, including a recent permanent injunction order issued by the FTC against Edmodo, LLC, a wholly owned subsidiary of the Company, regarding alleged violations of the Children's Online Privacy Protection Act (COPPA), the Children's Online Privacy Protection Rule (COPPA Rule), and the Federal Trade Commission Act. Orders similar to this can result in further scrutiny and further requirements imposed on our business which may result in limitations on our operations which may materially and adversely affect our business, financial condition, and results of operations.

We are subject to claims, suits, government investigations, other proceedings, and consent decrees involving competition, intellectual property, data privacy and security, consumer protection, tax, labor and employment, commercial disputes, content generated by our users, and, in connection with our discontinued Edmodo platform in the U.S., the collection and retention of student data and other matters. Due to our manufacturing and sale of an expanded suite of products and services, we are also subject to a variety of claims including product warranty, product liability, and consumer protection claims related to product defects, among other litigation. We may also be subject to claims involving health and safety, hazardous materials usage, other environmental effects, or service disruptions or failures.

In June 2020, the FTC issued a civil investigative demand to Edmodo. The matter concerned whether Edmodo violated Children's Online Privacy Protection Act (COPPA), during the period of 2017 through 2021, as well as whether Edmodo's then current privacy practices were in compliance with these laws. On June 27, 2023, Edmodo, the Department of Justice and the FTC settled the matter by entering a permanent injunction against Edmodo. As of the date hereof, the Edmodo platform in the U.S. has been shut down, however, under the consent order, the Edmodoworld platform will likely remain subject to certain requirements. The Edmodoworld platform is scheduled to be discontinued on March 31, 2024. We have already provided notice to all users that the platform will be taken down at close of business on March 31, 2024. Users have been notified that all of their data will be permanently deleted as of April 1, 2024. Once that process is completed, Promethean intends to complete the final wind down of all Edmodo business and the liquidation of the entity will follow shortly thereafter.

Any of these types of legal proceedings can have an adverse effect on the Company because of legal costs, diversion of management resources, negative publicity and other factors. Determining reserves for our pending litigation is a complex, fact-intensive process that requires significant judgment by us. The resolution of one or more such proceedings has resulted in, and may in the future result in, additional substantial fines, penalties, injunctions, and other sanctions that could harm our business, financial condition, and operating results.

Privacy and data protection regulations are complex and rapidly evolving, and we collect, process, store and use personal information and data, which subjects us to governmental regulation and other legal obligations related to privacy; any failure or alleged failure to comply with these laws could harm our business, reputation, financial condition, and operating results.

Authorities around the world have adopted and are considering a number of legislative and regulatory proposals concerning data protection and limits on encryption of user data. Adverse legal rulings, legislation, or regulation have resulted in, and may continue to result in, fines and orders requiring that we change our data practices, which could have an adverse effect on our ability to provide services, harming our business operations. Complying with these evolving laws could result in substantial costs and harm the quality of our products and services, negatively affecting our business, and may be particularly challenging during certain times, such as a natural disaster or pandemic. Amongst others, we are and expect to continue to be subject to the following laws and regulations:

- The General Data Protection Regulation (GDPR), which applies to all of our activities conducted from an establishment in the EU or related to products and services that we offer to EU users or customers, or the monitoring of their behavior in the EU. Ensuring compliance with the range of obligations created by the GDPR is an ongoing commitment that involves substantial costs. If our operations are found to violate GDPR requirements, we may incur substantial fines, have to change our business practices, and face reputational harm, any of which could have an adverse effect on our business. Serious breaches of the GDPR can result in administrative fines of up to 4% of annual worldwide revenues. Fines of up to 2% of annual worldwide revenues can be levied for other specified violations;
- Various state privacy laws, such as the California Consumer Privacy Act of 2018 (CCPA), which came into effect in January of 2020; the California Privacy Rights Act (CPRA), which went into effect in January

2023; the Virginia Consumer Data Protection Act (Virginia CDPA), which went into effect in January 2023; and the Colorado Privacy Act (ColoPA), which went into effect on July 1, 2023; all of which give new data privacy rights to their respective residents (including, in California, a private right of action in the event of a data breach resulting from our failure to implement and maintain reasonable security procedures and practices) and impose significant obligations on controllers and processors of consumer data;

- SB-327 in California, which regulates the security of data in connection with internet connected devices; and
- Many state student data privacy laws which may differ from the consumer privacy laws in those states.

Further, we are subject to evolving laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive personal data. On July 10, 2023, the European Commission adopted an adequacy decision for the EU-US Data Privacy Framework ("DPF"). The DPF is the successor to the EU-US privacy shield, which the Court of Justice of the European Union (CJEU) declared invalid in 2020. The adequacy decision means that U.S. businesses that self-certify under the DPF no longer require separate data transfer mechanisms in order to transfer personal data from the European Union to the U.S. Self-certified companies to the DPF will be able to freely transfer personal data from the European Economic Area to the U.S. without having to conduct a data transfer impact assessment (DTIA) or implement supplemental measures. However, any company which relies on other data transfer mechanisms, such as Standard Contractual Clauses (SCCs), may have to adapt its existing contractual arrangements to incorporate DTIA before transferring data. The validity of data transfer mechanisms remains subject to legal, regulatory, and political developments in both Europe and the U.S., such as recent recommendations from the European Data Protection Board, decisions from supervisory authorities, recent proposals for reform of the data transfer mechanisms for transfers of personal data outside the United Kingdom, and potential invalidation of other data transfer mechanisms, which, together with increased enforcement action from supervisory authorities in relation to cross-border transfers of personal data, could have a significant adverse effect on our ability to process and transfer personal data outside of the European Economic Area and/or the United Kingdom.

The requirements for incorporating DTIA to SCCs as well as complying with evolving laws and regulations in this area remains subject to interpretation, including developments which create some uncertainty, and further compliance obligations that could cause us to incur costs or harm the operations of our products and services in ways that harm our business. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data that could increase the cost and complexity of delivering our services and carries the potential of service interruptions in those countries, which could have an adverse effect on our business, financial condition and results of operation.

Our Promethean World Limited subsidiary is subject to compliance with a National Security Agreement with the U.S. Government. Failure to comply with the terms of this NSA could result in significant civil penalties.

Our Promethean World Limited subsidiary entered into a National Security Agreement (NSA) with the U.S. Government as a condition to closing the Merger (hereinafter defined). The NSA restricts Promethean from disclosing, transferring, or providing access to Protected Data (as defined in the NSA, including certain U.S.-based customer personally identifiable information) and subject to the terms of the Agreement to NetDragon or the Company. The NSA allows for annual audits by a third-party auditor to assess our compliance with the terms of the NSA. Any non-compliance or violations of the NSA may result in significant civil penalties and could potentially harm our business, financial results and our reputation.

Executive Order 13873 issued February 28, 2024 seeks to address the threat of China's access to Americans' sensitive personal data and, may in time, adversely impact our business.

Executive Order 13873 (the "Order") was issued February 28, 2024 in order to protect Americans' sensitive personal data from exploitation by countries of concern. The Order authorizes the Attorney General to prevent the large-scale transfer of American's personal data to countries of concern, provides safeguards around other activities that give those countries access to Americans' sensitive data and directs the Department of Justice ("DOJ") to issue regulations that establish clear protections for Americans' sensitive personal data from access and exploitation by countries of concern. Additionally, the Order directs the DOJ and Homeland Security to set high security standards to prevent access by countries of concern to Americans' data through other commercial means such as data available via investment, vendor, and employment relationships. Given the uncertainty of what regulations and what standards

will result from the Order, it is uncertain at this time what impact, if any, the Order may have on the Company's business, but compliance with additional data security regulations could result in an increase in our costs of operations and have an adverse impact on our results of operations.

We are subject to risks inherently related to our international operations.

Sales outside the U.S. represent a significant portion of our revenues. We have committed, and may continue to commit, significant resources to our international operations and sales and marketing activities.

Our significant international operations subject us to several risks related to these international business activities that may increase costs, lengthen sales cycles and require significant management attention. International operations carry certain risks and associated costs, such as the complexities and expense of administering a business abroad, complications in compliance with, and unexpected changes in regulatory requirements under or relating to, foreign laws, international import and export legislation, trading and investment policies, exchange controls, tariffs and other trade barriers, difficulties in collecting accounts receivable, potential adverse tax consequences, uncertainties of laws, difficulties in protecting, maintaining or enforcing intellectual property rights, difficulty in managing a geographically dispersed workforce in compliance with diverse local laws and customs, and other factors, depending upon the country involved. Moreover, local laws and customs in many countries differ significantly and compliance with the laws of multiple jurisdictions can be complex, difficult and costly. Risks inherent in our international operations may have a material adverse effect on our business.

Risks associated with climate change and other environmental impacts, and increased focus and evolving views of our customers, shareholders, and other stakeholders on climate change issues, could negatively affect our business and operations.

The effects of climate change can create short and long-term financial risks to our business, both in the U.S. and globally. We have significant operations located in regions that have been, and may in the future be, exposed to significant weather events and other natural disasters. Climate related changes can increase variability in or otherwise impact natural disasters, including weather patterns, with the potential for increased frequency and severity of significant weather events (e.g., flooding, hurricanes, and tropical storms), natural hazards (e.g., increased wildfire risk), rising mean temperature and sea levels, and long-term changes in precipitation patterns (e.g., drought, desertification, and/or poor water quality). We expect climate change could affect our facilities, operations, employees, and communities in the future, particularly at facilities in coastal areas and areas prone to extreme weather events and water scarcity. Our suppliers are also subject to natural disasters that could affect their ability to deliver or perform under our contracts, including as a result of disruptions to their workforce and critical infrastructure. Disruptions also impact the availability and cost of materials needed for manufacturing and could increase insurance and other operating costs.

We must comply with the U.S. Foreign Corrupt Practices Act as well as similar applicable anti-bribery laws around the world.

We are required to comply with the United States Foreign Corrupt Practices Act, which prohibits U.S. companies from engaging in bribery of or other prohibited payments to foreign officials for the purpose of obtaining or retaining business and requires that we maintain adequate financial records and internal controls to prevent such prohibited payments. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices may occur in countries where we do business. If our competitors engage in these practices, they may receive preferential treatment from personnel of some companies, giving our competitors an advantage in securing business or from government officials who might give them priority in obtaining new business, which would put us at a disadvantage. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties which could materially and adversely affect our financial condition and result in reputational harm.

Our worldwide operations will subject us to income taxation in many jurisdictions, and we must exercise significant judgment to determine our worldwide financial provision for income taxes.

We are subject to income taxation in the U.K., the U.S. and numerous other jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. Although we believe our tax estimates are reasonable, our ultimate income tax liability may differ from the amounts recorded in our financial statements. Any

additional income tax liability may have a material adverse effect on our financial results in the period or periods in which such additional liability arises.

Income tax law and regulatory changes in the U.S., the E.U. and other jurisdictions, including income tax law and regulatory changes that may be enacted by the U.S. federal and state governments or as a result of tax policy recommendations from organizations such as the Organization for Economic Co-operation and Development (the "OECD"), have and may continue to have an impact on our financial condition and results of operations.

Certain of our subsidiaries provide products to and may from time to time undertake certain significant transactions with us and our other subsidiaries in different jurisdictions. In general, cross-border transactions between related parties and, in particular, related party financing transactions, are subject to close review by tax authorities. Moreover, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules that require all transactions with nonresident related parties to be priced using arm's-length pricing principles and require the existence of contemporaneous documentation to support such pricing. A tax authority in one or more jurisdictions could challenge the validity of our related party transfer pricing policies. If in the future any taxation authorities are successful in challenging our financing or transfer pricing policies, our income tax expense may be adversely affected and we could become subject to interest and penalty charges, which may harm our business, financial condition and results of operations.

We are subject to non-income taxes in many jurisdictions in which we conduct business and significant judgement is required in determining our exposure for non-income taxes.

We are subject to non-income taxes, including withholding, sales, use, and value added taxes, in various jurisdictions in which we conduct business. Fiscal authorities in one or more of those jurisdictions may contend that our non-income tax liabilities are greater than the amounts we have accrued and/or reserved for. Moreover, future changes in non-income tax laws or regulations may materially increase our liability for such taxes in future periods.

Significant judgment is required in determining our exposure for non-income taxes. These determinations are highly complex and require detailed analysis of the available information and applicable statutes and regulatory materials. Although we believe our tax determinations are reasonable, tax authorities in certain jurisdictions may disagree. Moreover, certain jurisdictions in which we do not collect or pay withholding, sales, use, value added, or other non-income taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect or pay such taxes in the future.

If we are unable to ship and transport components and final products efficiently and economically across long distances and borders, our business would be harmed.

We transport significant volumes of components and finished products across long distances and international borders. Any increases in our transportation costs, as a result of increases in the price of oil or otherwise, would increase costs and the final prices of our products to customers. In addition, any increases in customs or tariffs, as a result of changes to existing trade agreements between countries or otherwise, could increase costs or the final cost of products to customers or decrease margins. Such increases could harm our competitive position and could have a material adverse effect on our business. The laws governing customs and tariffs in many countries are complex and often include substantial penalties for non-compliance. Disputes may arise and could subject us to material liabilities and have a material adverse effect on our business. It should be noted that the highly charged geopolitical climate between the U.S. and China has already resulted in the imposition of tariffs on the import of many of our products into the U.S. from China. To the extent that China takes any actions that are seen by the U.S. administration to be adverse in nature to the U.S. or its allies, the U.S. could institute additional tariffs or increase existing tariffs which could have a material adverse effect on our business.

If we are unable to ship and transport components and final products efficiently and economically due to violence and dangerous conditions in certain shipping routes, our business would be harmed.

We transport significant volumes of components and finished products across long distances and international waters. The consequences of piracy are far-reaching and multi-faceted. Shipping companies face increased insurance costs, higher security measures, and disruptions to their supply chains. There is an increased threat of violence and hostage-taking in several shipping routes between China and Europe and the U.S. The carriers we use may be unable to enter certain shipping routes as a result of dangerous conditions or potential violence due to these increased risks.

Such increased risks could cause the delivery of our products to be significantly delayed which could harm our competitive position and have a material adverse effect on our business.

If our procedures to ensure compliance with export control laws are ineffective, our business could be harmed.

Our extensive international operations and sales are subject to far reaching and complex export control laws and regulations in the U.S. and elsewhere. Violations of those laws and regulations could have material negative consequences for us including large fines, criminal sanctions, prohibitions on participating in certain transactions and government contracts, sanctions on other companies if they continue to do business with us and adverse publicity, any of which could have a material adverse effect on our business, financial condition and results of operation.

We may fail to realize some or all of the anticipated benefits of the Merger and related transactions (see Item 4A "History and Development of the Company"), which could adversely affect the value of our ADSs.

The achievement of the anticipated benefits of the Merger is subject to a number of uncertainties, including general competitive factors in the marketplace and whether we are able to integrate our business in an efficient and effective manner and establish and implement effective operational principles and procedures. Failure to achieve these anticipated benefits could result in increased costs, decreases in revenues and diversion of management's time and energy, and could materially impact our business, cash flows, financial condition or results of operations. While we anticipate that the Merger will help us realize the anticipated growth opportunities and other benefits, we cannot predict with certainty if or when these growth opportunities and benefits will occur, or the extent to which they actually will be achieved. For example, the benefits from the Merger may be offset by costs incurred by us. These fees and costs have been, and will continue to be, substantial. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Additional unanticipated costs may be incurred, which may be higher than expected and could have a material adverse effect on the combined company's financial condition and operating results. If we are not able to successfully achieve these objectives, the anticipated cost savings, synergies, growth opportunities and other benefits that we expect to achieve as a result of the Merger may not be realized fully, or at all, or may take longer than expected to realize.

It is possible that the integration process could take longer or be more costly than anticipated or could result in the loss of key employees, the disruption of our ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of the combined company to maintain relationships with suppliers, customers and employees, to achieve the anticipated benefits of the Merger or maintain quality standards. An inability to realize the full extent of, or any of, the anticipated benefits of the Merger, as well as any delays encountered in the integration process, could have an adverse effect on the combined company's business, cash flows, financial condition or results of operations, which may affect the value of our ADSs.

We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future. Failure to remediate such material weaknesses in the future or to maintain an effective system of internal control could impair our ability to comply with the financial reporting and internal controls requirements for publicly traded companies.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. As set forth in "*Item 15 - Controls and Procedures*," we have identified several material weaknesses in our internal controls over financial reporting, as well as our plans to mitigate and remediate such weaknesses.

While we believe that the actions we have taken and will continue to take as outlined in Item 15 below, will improve our internal control over financial reporting, the implementation of these measures is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles. We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future

material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal controls over financial reporting. Accordingly, there could continue to be a reasonable possibility that these deficiencies or others could result in a misstatement of our accounts or disclosures that would result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis.

The process of designing and implementing internal control over financial reporting required to comply with Section 404 of the Sarbanes-Oxley Act will be time consuming, costly and complex. If during the evaluation and testing process, we identify one or more other material weaknesses in our internal control over financial reporting or determine that existing material weaknesses have not been remediated, our management will be unable to assert that our internal control over financial reporting is effective. Even if our management concludes that our internal control over financial reporting is effective, and when required in the future, our independent registered public accounting firm may conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed. If we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our ADSs could be adversely affected and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Fulfilling our obligations as a public company, including with respect to the requirements of and related rules under the Sarbanes-Oxley Act of 2002, and the Dodd-Frank Act, is expensive and time-consuming.

We are subject to the reporting, accounting and corporate governance requirements of the NYSE and the Exchange Act, Sarbanes-Oxley Act of 2002 and Dodd-Frank that apply to issuers of listed equity, which impose certain compliance requirements, costs and obligations upon us. The expenses associated with being a public company include those related to auditing, accounting and legal fees, investor relations, directors' fees and director and officer liability insurance costs, registrar and transfer agent fees and listing fees, as well as other expenses. In addition, if we are unable to maintain effective internal control over financial reporting, we may be unable to report our financial condition or financial results accurately or to report them within the timeframes required by the SEC.

As a public company, we are required, among other things, to have in place comprehensive governance, financial reporting, compliance and investor relations functions, subject to any exemptions that may apply to us as a "foreign private issuer" and a "controlled company" under applicable NYSE rules and regulations. Failure to comply with any applicable requirements of being a public company listed in the U.S. could subject us to sanctions or investigations by the SEC, NYSE or other regulatory authorities and could potentially cause investors to lose confidence in the accuracy and completeness of our financial reports.

Risks Related to Our Intellectual Property

We may not be able to obtain patents or other intellectual property rights necessary to protect our proprietary technology and business.

Our commercial success depends to a significant degree upon our ability to develop new or improved technologies and products. Some of those new or improved technologies could be protected for use only by us or by our customers by obtaining patents or other intellectual property rights or statutory protection for these technologies and products in the U.S. and other countries. We will seek to patent concepts, components, processes, designs and methods, and other inventions and technologies that we consider having commercial value or that will likely give us a technological advantage. Despite devoting resources to the research and development of proprietary technology, we may not be able to develop technology that is patentable or protectable. Patents may not be issued in connection with pending patent applications, and claims allowed may not be sufficient to allow us to use the inventions that we create exclusively. Furthermore, any patents issued could be challenged, re-examined, held invalid or unenforceable or circumvented and may not provide sufficient protection or a competitive advantage. In addition, despite efforts to protect and maintain patents, competitors and other third parties may be able to design around their patents or develop products similar to our products that are not within the scope of their patents. Finally, patents provide certain statutory protection only for a limited period of time that varies depending on the jurisdiction and type of

patent. The statutory protection term of certain of our material patents may expire soon and, thereafter, the underlying technology of such patents can be used by any third-party including competitors.

Prosecution and protection of the rights sought in patent applications and patents can be costly and uncertain, often involving complex legal and factual issues and consume significant time and resources. In addition, the breadth of claims allowed in our patents, their enforceability and our ability to protect and maintain them cannot be predicted with any certainty. The laws of certain countries may not protect intellectual property rights to the same extent as the laws of the U.S. Even if our patents are held to be valid and enforceable in a certain jurisdiction, any legal proceedings that we may initiate against third parties to enforce such patents will likely be expensive, take significant time and divert management's attention from other business matters. There can be no assurances that any of our issued patents or pending patent applications will provide any protectable, maintainable or enforceable rights or competitive advantages to the Company.

In addition to patents, we rely on a combination of copyrights, trademarks, trade secrets and other related laws and confidentiality procedures and contractual provisions to protect, maintain and enforce our proprietary technology and intellectual property rights in the U.S. and other countries. However, our ability to protect our brands by registering certain trademarks may be limited. In addition, while we will generally enter into confidentiality and nondisclosure agreements with our employees, consultants, contract manufacturers, distributors and resellers and with others to attempt to limit access to and distribution of our proprietary and confidential information, it is possible that:

- misappropriation of our proprietary and confidential information, including technology, will nevertheless occur;
- our confidentiality agreements will not be honored or may be rendered unenforceable;
- third parties will independently develop equivalent, superior or competitive technology or products; or
- disputes will arise with our current or future strategic licensees, customers or others concerning the ownership, unauthorized disclosure of our know-how, trade secrets or other proprietary or confidential information will occur.

There can be no assurances that we will be successful in protecting, maintaining or enforcing our intellectual property rights. If we are unsuccessful in protecting, maintaining or enforcing our intellectual property rights, then our business, operating results and financial condition could be materially adversely affected, which could:

- adversely affect our relationships with current or future distributors and resellers of our products;
- adversely affect our reputation with customers;
- be time-consuming and expensive to evaluate and defend;
- cause product shipment delays or stoppages;
- divert management's attention and resources;
- subject us to significant liabilities and damages;
- require us to enter into royalty or licensing agreements; or
- require us to cease certain activities, including the sale of products.

If it is determined that we have infringed, violated or are infringing or violating a patent or other intellectual property right of any other person or if we are found liable in respect of any other related claim, then, in addition to being liable for potentially substantial damages, we may be prohibited from developing, using, distributing, selling or commercializing certain of our technologies and products unless we obtain a license from the holder of the patent or other intellectual property right. There can be no assurances that we will be able to obtain any such license on a timely basis or on commercially favorable terms, or that any such licenses will be available, or that workarounds will be feasible and cost-efficient. If we do not obtain such a license or find a cost-efficient workaround, our business, operating results and financial condition could be materially adversely affected, and we could be required to cease related business operations in some markets and restructure our business to focus on our continuing operations in other markets.

Our business may suffer if it is alleged or determined that our technology or another aspect of our business infringes the intellectual property of others.

The markets in which we will compete are characterized by the existence of many patents and trade secrets and also by litigation based on allegations of infringement or other violations of intellectual property rights. Moreover, in recent years, individuals and groups have purchased patents and other intellectual property assets for the purpose of making claims of infringement to extract settlements from companies like us. Also, third parties may make infringement claims against us that relate to technology developed and owned by one of our suppliers for which our suppliers may or may not indemnify us. Even if we are indemnified against such costs, the indemnifying party may be unable to uphold its contractual obligations and determining the extent of such obligations could require additional litigation. Claims of intellectual property infringement against the Company or its suppliers might require us to redesign our products, enter into costly settlements or license agreements, pay costly damage awards or face a temporary or permanent injunction prohibiting us from marketing or selling our products or services. If we cannot or do not license the infringed intellectual property on reasonable terms or at all, or substitute similar intellectual property from another source, our revenue and operating results could be adversely impacted. Additionally, our customers and distributors may not purchase our offerings if they are concerned that they may infringe third party intellectual property rights. Responding to such claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management's attention and resources, damage our reputation and cause us to incur significant expenses. The occurrence of any of these events may have a material adverse effect on our business, financial condition and operating results.

New legislation and changes in the regulatory requirement regarding private education and preschool education in Singapore may materially and directly or indirectly affect our business operations and prospects.

In Singapore, the operation of kindergartens is regulated by the Early Childhood Development Centres Act, which was passed in 2017. This act sets forth certain prerequisite requirements that must be met to obtain a license to operate a kindergarten, such as physical requirements, staffing requirements and financial requirements. The Early Childhood Development Agency, an autonomous agency formed in 2013 and hosted under the Ministry of Social and Family Development of Singapore, serves as the regulatory and developmental authority for the early childhood sector in Singapore, overseeing various aspects of children's development, such as the setting up and licensing of kindergartens. Any change or addition to the laws and regulations imposed by authorities overseeing the preschool education sector in Singapore may have a material adverse effect on our Singapore operations, which would in turn adversely affect our financial condition and results of operations.

Misbehavior or unsatisfactory performance by the teachers operating under our brands or operated by our franchisees will hurt our reputation and potentially our results of operations and financial condition.

The teachers operating under our brands are the ones who interact directly with the students and their families. Despite our constant emphasis on service quality, our continuous training of teachers as well as our close supervision, we cannot assure that the teachers operating under our brands will completely follow our service manual and standards at all times. Any misbehavior or unsatisfactory performance by these teachers will hurt our reputation and potentially our results of operations and financial condition. Any significant negative publicity associated with one of our facilities may directly affect our operational results, as children may choose to temporarily stop coming to our teaching facilities, families may decide to withdraw their children's enrollments, and franchisees and business partners may request to terminate our relationships or delay the opening of their franchised teaching facilities.

Injuries, accidents, food quality incidents or other harm suffered by students or employees at the facilities under our brands or operated by our franchisees may damage our reputation and subject us to liabilities.

Operating childcare and learning centers involve inherent risks associated with the safety and wellbeing of our students and other people visiting or working at the teaching facilities. Teaching facilities under our brands or operated by the franchisees could face negligence claims for inadequate maintenance of the teaching facilities or lack of supervision of the teachers and other employees. In addition, any defects in indoor and outdoor playground equipment in the teaching facilities or educational tools they use in classrooms may cause harm to students. The owners of these teaching facilities, and even us, therefore, could be liable for accidents, injuries, food quality incidents or other harm to students or other people at the teaching facilities, which may adversely affect their ability to fulfill their obligations under the service agreements with us. Even if they are found not legally liable for such accidents or injuries, disputes on liabilities or general complaints by parents regarding food quality, students

wellbeing or, from time to time, air quality and renovation fumes within the teaching facilities may create unfavorable publicity and our reputation may be damaged on such occasions. Additionally, although we maintain certain liability insurance, the insurance coverage may not be adequate to fully protect us from claims and liabilities, and reoccurrence of similar accidents may make it difficult for us to obtain liability insurance at reasonable prices in the future. Defending such claims may also cause us to incur substantial expenses and divert the time and attention of our management.

Risks Related to the Ownership of our Ordinary Shares or ADSs

The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of our ADSs has been, and is likely to continue to be, volatile and could fluctuate widely due to multiple factors, some of which are beyond our control and which may materially adversely affect the market price and marketability of the ADSs and our ability to raise capital through equity financings. These factors include the following:

- regulatory developments affecting us, our customers, or our industry;
- variations in our revenues, earnings, cash flow and data related to our operations;
- changes in market condition, market potential and the competitive landscape;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new offerings, solutions and expansions by us or our competitors;
- fluctuations in global economies;
- changes in financial estimates by securities analysts;
- negative publicity about us, our services or our industry;
- announcements of new regulations, rules or policies relevant to our businesses;
- additions or departures of key personnel and senior management;
- release of lock-up or other transfer restrictions on our outstanding equity securities, including the conversion of our outstanding convertible note in the principal amount of $65.0 million; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

In the past, shareholders of public companies have brought securities class action suits against certain companies following periods of instability in the market price of their securities. If we were to become involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require it to incur significant expenses to defend the suit, which could harm its results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Substantial future sales or perceived sales of our Shares or ADSs in the public market could cause the price of our ADSs to decline.

Sales of our Shares or ADSs, either in the public market or through a private placement, or the perception that these sales could occur, could cause the market price of our ADSs to decline. It cannot be predicted what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADS and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about the Company or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrade the ADSs or publish inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for ADSs to decline.

Any conversion of our senior convertible note will dilute the ownership interest of existing ordinary shareholders and holders of our ADSs.

The conversion into ordinary shares of some or all of the $65.0 million in aggregate principal amount of our Senior Secured Convertible Note due 2028 will dilute the ownership interests of existing ordinary shareholders and holders of the ADSs. Any sales of the ADSs issuable upon such conversion could adversely affect prevailing trading prices of the ADSs. In addition, any actual or anticipated conversion of the Note into ADSs could significantly depress the trading price of the ADSs.

We have incurred and may incur additional indebtedness.

We currently rely on, and may in the future rely on, the incurrence of indebtedness as a source of liquidity. Our ability to make payments on and to refinance our existing or future indebtedness will depend on our ability to generate cash in the future from operations, financing or asset sales.

If we are unable to satisfy our obligations with respect to our borrowings, comply with the covenants with respect to such borrowings or fulfill the conditions applicable to such borrowings, or any of our lenders from time to time fail to fund their lending commitments (whether due to insolvency, illiquidity or other reasons), our business, financial condition, results of operations, liquidity and our ability to meet our obligations could be adversely impacted. We could also be forced to take unfavorable actions, including business and legal entity restructuring, limited new business investment, asset sales or dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness.

If we seek to refinance our indebtedness, we may be unable to do so on terms acceptable to us or at all. Market disruptions, as well as our indebtedness level, may increase our cost of borrowing or adversely affect our ability to refinance our obligations as they become due. If we are unable to refinance our indebtedness or access additional credit, or if short-term or long-term borrowing costs dramatically increase, our ability to meet our short and long-term obligations could be adversely affected, which would have a material adverse effect on our business, financial condition, results of operations and liquidity.

In addition, the level of our indebtedness could put us at a competitive disadvantage compared to our competitors that are less leveraged than us. These competitors could have greater financial flexibility to pursue business strategies and secure financing for their operations. The level of our indebtedness could also impede our ability to withstand downturns in our industry or the economy in general.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

As a "foreign private issuer" incorporated in the Cayman Islands and a "controlled company" within the meaning of the NYSE corporate governance rules, the Company is permitted to, and does, adopt certain home country practices in relation to corporate governance matters that differ significantly from the NYSE corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if the Company complied fully with the NYSE corporate governance listing standards.

The Company is a Cayman Islands exempted company listed on the NYSE and is subject to the NYSE corporate governance listing standards. However, NYSE rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the NYSE corporate governance listing standards. For example, neither the Companies Act (As Revised) of the Cayman Islands nor our memorandum and articles of association requires a majority of our directors to be independent. If the Company chooses to follow certain home country practices, the shareholders may be afforded less protection than they otherwise would under the NYSE corporate governance listing standards applicable to U.S. domestic issuers.

Our status as a "controlled company" could make our ADSs less attractive to some investors or otherwise harm our share price.

As of the date of this Annual Report, NetDragon owns approximately 74% of our issued and outstanding ordinary shares. As our majority shareholder, NetDragon continues to be able to control the appointment of our directors, exert substantial influence over our corporate and management policies and determine, without the consent of our other shareholders, the outcome of any corporate transaction or other matter submitted to our shareholders for approval, including potential mergers or acquisitions, asset sales and other significant corporate transactions. NetDragon also has sufficient voting power to approve amendments to our Sixth Amended and Restated Memorandum and Articles of Association. Accordingly, should the interests of NetDragon differ from those of other shareholders, the other shareholders may not have the same protections afforded to shareholders of companies that are not controlled companies. Our status as a controlled company could make our ADSs less attractive to some investors or otherwise harm the trading price of our ADSs.

We and our shareholders may have conflicts of interest with NetDragon.

Conflicts of interest may arise between NetDragon and us, since NetDragon continues to engage in transactions with us. Further, NetDragon may, from time to time, acquire and hold interests in, or maintain business relationships with, businesses that compete directly or indirectly with us. In general, NetDragon could pursue business interests or exercise its voting power as a shareholder in ways that are detrimental to us but beneficial to themselves or to other companies in which they invest or with whom they have relationships.

In addition, adverse publicity, regulatory scrutiny and pending investigations by regulators or law enforcement agencies involving NetDragon could negatively impact our reputation due to our relationship with NetDragon, which could materially and adversely affect our business, results of operations, financial condition and liquidity.

The Chairman of our board of directors may have actual or potential conflicts of interest due to his NetDragon equity ownership or his current or former NetDragon positions.

The Chairman of our board of directors is, and will likely continue to be, a NetDragon officer and director and, thus, have professional relationships with NetDragon's other executive officers, directors or employees. In addition, by virtue of our Chairman's current NetDragon positions and ownership of NetDragon equity, these relationships and financial interests may create, or may create the appearance of, conflicts of interest when our Chairman is faced with decisions that could have different implications for NetDragon and us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between NetDragon and us regarding the terms of any agreements between us and NetDragon that may arise from time to time.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because the Company is incorporated under Cayman Islands law.

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability. Our corporate affairs are governed by our sixth amended and restated memorandum and articles of association (or the A&R MAA), the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against us and our directors, actions by minority shareholders and the fiduciary duties of our directors under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the English common law, which are generally of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of the Company's shareholders and the fiduciary duties of the Company's directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the U.S. In particular, the Cayman Islands has a different body of securities laws than the U.S. and provides significantly less protection to investors. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the U.S. There is no statutory recognition in the Cayman Islands of judgments obtained in the U.S., although the courts of the Cayman Islands will in certain circumstances, recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the amended and restated memorandum and articles of association, the register of mortgages and charges, and copies of any special resolutions passed by our shareholders) or to obtain copies of lists of shareholders of these companies. The Company's directors have discretion under the A&R MAA, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to the Company's shareholders, except as conferred by law or by ordinary resolution of the Company's shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands differ significantly from requirements for companies incorporated in other jurisdictions such as the U.S. If we choose to follow our home country practice, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, public shareholders may have greater difficulty in protecting their interests in the face of actions taken by our management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the U.S.

The Company is a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

The Company is a foreign private issuer under the Exchange Act, and exempt from certain provisions of the securities rules and regulations in the U.S. that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD promulgated by SEC.

The information we are required to file with or furnish to the SEC is less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you if you were investing in a U.S. domestic issuer.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

In January 2007, we were incorporated under the name of Top Margin Limited, as an exempted company under the laws of the Cayman Islands. In June 2017, we changed our corporate name to RYB Education, Inc., and in May of 2022, we changed our corporate name again to Gravitas Education Holdings, Inc. On December 13, 2023, in connection with the transactions described immediately below under "The 2023 Transactions," we changed our corporate name to Mynd.ai, Inc.

Our principal executive offices are located at 720 Olive Way, Suite 1500, Seattle, WA 98101. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC on *www.sec.gov.* We also maintain a website at www.mynd.ai, where we regularly post copies of our press releases as well as additional information about us. From time to time, we may also use our website for disclosure of material information about our business and operations. Our filings with the SEC are available free of charge through the website as soon as reasonably practicable after being electronically filed with or furnished to the SEC. Information contained in our website is not a part of, nor incorporated by reference into, this Annual Report or our other filings with the SEC, and should not be relied upon.

All trademarks, service marks and trade names appearing in this Annual Report are the property of their respective holders. Use or display by us of other parties' trademarks, trade dress, or products in this Annual Report is not intended to, and does not, imply a relationship with, or endorsements or sponsorship of, us by the trademark or trade dress owners.

Information on our principal capital expenditures and divestitures is included below under "*Item 5. Operating and Financial Review and Prospects.*"

The 2023 Transactions

On April 18, 2023, we entered into an agreement and plan of merger among Bright Sunlight Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of the Company (the "Merger Sub"), Best Assistant Education Online Limited, a Cayman Islands exempted company ("Best Assistant") and a controlled subsidiary of NetDragon Websoft Holdings Limited (HKEX: 0777, "NetDragon"), a Cayman Islands exempted company, and solely for purposes of certain named sections thereof, NetDragon (the "Original Merger Agreement") as amended via a certain Omnibus Amendment and Waiver dated as of October 18, 2023 (the "First Amendment"); and as further amended via a Second Omnibus Amendment and Waiver, dated as of December 7, 2023 (the "Second Amendment") (both the First Amendment and the Second Amendment, together with the Original Merger Agreement, are collectively referred to herein as the "Merger Agreement"). The Merger Agreement contemplated that Best Assistant would transfer the education business of NetDragon outside of the Peoples Republic of China ("PRC") to eLMTree Inc., a Cayman Islands exempted company limited by shares and wholly-owned by Best Assistant who became a party to the Merger Agreement by executing a joinder on August 18, 2023 ("eLMTree"), and Merger Sub would merge with and into eLMTree with eLMTree continuing as the surviving company and becoming our wholly owned subsidiary (such transactions collectively, the "Merger").

On December 13, 2023, we consummated the closing of the transactions contemplated by the Merger Agreement and certain other agreements set forth therein ("Closing"), pursuant to which, (i) Best Assistant transferred the education business of NetDragon outside of the PRC to eLMTree, (ii) Merger Sub merged with and into eLMTree with eLMTree continuing as the surviving company and becoming our wholly owned subsidiary, (iii) we changed our name to "Mynd.ai, Inc." and (iv) we issued 329,812,179 of our ordinary shares to NetDragon WebSoft, Inc. ("ND BVI"), a wholly-owned subsidiary of NetDragon, and 96,610,041 of our ordinary shares to former shareholders of Best Assistant. The Company is now listed on NYSE American LLC, and our ADS trade under the symbol "MYND."

Also concurrent with the Closing of the Merger:

- we transferred our entire education business in the PRC to Rainbow Companion, Inc., a purchaser consortium formed by the Founding Shareholders (as hereinafter defined) and their affiliates in consideration of $15 million (the "2023 Divestiture");
- ND BVI, a wholly-owned subsidiary of NetDragon, purchased an aggregate of 8,528,444 of the Company's ordinary shares from Joy Year Limited, Bloom Star Limited, Ascendent Rainbow (Cayman) Limited ("ACP"), Trump Creation Limited and China Growth Capital Limited (collectively, the "Founding Shareholders"), for an aggregate consideration of $15 million (the "Secondary Sale"); and
- Nurture Education Cayman Limited, an affiliate of ACP, purchased a $65.0 million convertible promissory note from us (the "Convertible Note").

As a result of the foregoing transactions, we have ceased operations of all education business in China and NetDragon, through ND BVI, is the holder of approximately 74% of our issued and outstanding shares.

The Merger has been accounted for as a reverse acquisition where Gravitas Education Holdings, Inc. was the legal acquirer, but eLMTree was deemed to be the acquirer for accounting purposes, resulting in inclusion of eLMTree financial information for all historical periods presented.

B. Business Overview

We are dedicated to creating a robust, seamless, and comprehensive digital communication and collaboration platform for the education, business, and public sectors. Our solutions include a wide range of interactive tools and technologies, with our award-winning interactive displays at the forefront. Our comprehensive software platform is designed to make it easier than ever to create captivating lessons, presentations, and training programs that immerse people in a world of vibrant multimedia, real-time collaboration, and imaginative instruction.

Promethean.

Promethean, our leading, award-winning subsidiary, is working to transform the way the world learns and collaborates. Promethean produces large touch screen interactive flat-panel displays ("IFPDs") and teaching applications and collaboration software primarily used in the education market in the U.S., the U.K. and Europe. Over the last 25 years, Promethean has sold its front of class solutions in over 125 countries around the globe. Promethean's award-winning IFPD, the ActivPanel, was designed to engage students, connect colleagues, and bring out the brilliance in everyone. Our interactive displays are also integrated with powerful Explain Everything software that provides a state-of-the-art infinite canvas whiteboard to engage students with a wide variety of content and resources directly from the panel, including customizable templates, unsplash imagery, YouTube videos, browsers, clipart, and more. Teachers can import multiple file types directly into the whiteboard and enhance and manipulate them in real time. The Explain Everything Whiteboard App works seamlessly alongside Promethean's other popular Apps such as Timer, Spinner, and Polling. Additionally, Promethean develops award-winning lesson delivery and teaching software. Our popular ActivInspire software helps make learning fun and engaging, and lesson preparation and delivery easier for teachers. Promethean's recently introduced Explain Everything Advanced platform can be used to record, edit, and share unlimited lessons within the software using our patented tool enabling students to view them anytime. This platform also integrates with OneDrive, Dropbox, Google Classroom and other applications. In addition, we believe the corporate workplace provides opportunity for similar use cases for our products in meeting rooms, collaboration areas, and training facilities. Our products are currently sold to and used by corporations, and we intend to continue to innovate our solutions for corporate uses to expand and grow our market opportunity.

Founded in 1996 by Tony Cann in Blackburn, England, Promethean was created by teachers, for teachers. Seeking to alleviate teachers' workload, Promethean pioneered interactive whiteboards and sold over one million interactive whiteboards over the following ten years.

As Promethean continued to develop its market leading interactive whiteboards and started to develop its new IFPDs, it sought to further improve student outcomes by designing lesson delivery software, such as ActivInspire in 2009 and ClassFlow in 2014. By 2015, Promethean was one of the few interactive learning companies that had a combined hardware and software solution. In November 2015, NetDragon, a leading developer and operator of online games and mobile internet platforms in China, acquired Promethean as part of its commitment to scale its

online education business to pursue its vision of creating an online learning community, and to bring the “classroom of the future” to schools around the world.

More than 25 years of product development experience and close relationships with the teaching community has positioned the Company to adapt to and understand teacher and student needs, and we believe positions us well to successfully address “pain points” in the classroom. According to management commissioned reports on the world IFPD market, as of December 31, 2023, Promethean held a 26.7% share of the IFPD market in the U.S. and a 17.4% share of the global market, excluding China. For the year ended December 31, 2023, Promethean’s business in the U.S. generated $293.3 million in revenue and its business outside of the U.S. generated $120.2 million in revenue.

Our global coverage is facilitated by Promethean’s strong, far-reaching relationships with over two hundred distributor and reseller partners with whom Promethean has a direct relationship, and more than fifteen hundred resellers globally with whom Promethean has worked with through its distributor relationships.

Through these far-reaching relationships, Promethean is also expanding its presence in the corporate market where our interactive flat panel displays facilitate real-time collaboration in corporate training spaces and corporate meeting rooms. Paired with our suite of peripheral products, our solutions are making it easier for companies to connect, collaborate, and communicate no matter where they are and no matter what devices they are using.

Product Overview

Our commitment is to deliver solutions to customers' most pressing problems: easy, secure sign-in options, streamlined connection to content, flexible lesson delivery software, and personalized user experiences. Promethean products are comprised of interactive smart displays, accessories, and software. The ActivPanel 9 range of Promethean products come equipped with a full suite of the Promethean classroom essential engagement applications (Whiteboard, Annotate, Spinner, Timer) and ActivInspire, our easy-to-use lesson delivery software. The ActivPanel LX can be paired with a computing module that fits nearly any ecosystem whether it be Google, Windows, or Android.

Interactive Displays

ActivPanel 9 is Promethean’s latest generation IFPD and is available in two models: ActivPanel 9 or ActivPanel 9 Premium with ActivSync. Designed after listening to customers across the globe, Promethean designed the IFPD to facilitate use with minimal maintenance and training. ActivPanel 9 provides enhanced interactivity, enhanced security, Bluetooth on-board, and advanced computing power. With our patented ActivSync technology, the ActivePanel 9 Premium helps eliminate the digital barriers between devices and enables increased connectivity, customizable settings, and enhanced mobility, so teachers can move around the classroom freely. ActivSync technology allows the teacher to save and open files quickly and easily between the ActivPanel and their device, access their content and customizations from any ActivPanel 9 with their roaming profiles, and connect their devices directly to the panel with one cable for their audio, video and data. Additionally, ActivPanel 9 features pen and touch differentiation, near-field communication, proximity for warm boot, a USB-C 3.2 port, and more continuous touch points than the previously offered ActivPanel Nickel. The ActivPanel 9 allows authentication with multiple sign-in options, including a password, QR code, Promethean desktop app, and NFC card. It allows teachers to lock their panel quickly and easily when they need to be away from the panel for a short time and they can sign out of their panel from anywhere to ensure their data is kept safe.

ActivPanel LX is Promethean’s easy to use, flexible, and affordable front-of classroom display. This IFPD is designed to work with a school’s existing technology platform along with the software and applications that teachers already know and love. The ActivPanel LX can be plugged into a laptop with a single USB-C cable instantly turning the teacher’s computer into a large-format interactive display. It can also be paired with a computing module that fits a school’s preferred ecosystem, whether that is Google, Windows, or Android, giving the school maximum flexibility especially as the school’s EdTech needs change. The ActivPanel LX is easy to install and set up, requiring minimal training and limited support from IT staff. IT administrators should not need to enroll, manage, or frequently update the panels, or deal with security issues. For a lower price than ActivPanel 9 or ActivPanel 9 Premium, the ActivPanel LX offers: A crystal clear 4K display that leverages HDMI 2.0 technology; Gigabit ethernet ports for uncompromised network speeds to a connected OPS device; LCD bonded glass offering excellent writing and viewing experiences; Advanced touch technology providing pen and touch; differentiation, palm erase, and 20 points of touch; and dual front-facing speakers, an integrated full-length pen tray, and a wall mount.

ActivPanel 9 for the Workplace (ActivPanel 9 Pro), is designed to enhance collaboration in the corporate environment. The ActivPanel 9 Pro provides an exceptional touch experience, high-caliber audio and visuals, bonded glass for improved viewing and brightness, and one-touch access to the web and cloud. Each panel includes built-in business templates and integrated partner tools and apps, including UC Workspace Quicklaunch, which allows the user to customize their experience. As with ActivPanel 9, ActivPanel for the Workplace also features pen and touch differentiation, near-field communication, proximity for warm boot, a USB-C 3.2 port, and more continuous touch points than the previously offered ActivPanel Nickel. Every ActivPanel 9 Pro comes with a suite of peripherals that enhance the user experience including a Logitech wireless keyboard with trackpad and a highly functional ActivPen that can be used as a virtual laser pointer, slide advancer and magnifying tool and the ActivPanel 9 Pro comes with a 5-year warranty.

Software

Explain Everything Advanced is Promethean's web-based lesson creation and delivery software platform that brings together some of the most effective and popular education tools, apps, resources, and content into a convenient one-stop shop. Using Explain Everything Advanced, teachers can tap into a wealth of online training videos, webinars and in-person support. Additionally, teachers are just a click away from dozens of engaging, customizable templates, loads of shapes, symbols, clipart and other popular online resources. Designed to be used for in-person, remote, and hybrid environments, it allows teachers to record their lessons and then edit them using Promethean's patented tool, so they can be shared with students anytime. Teachers have the flexibility to create compelling, engaging lessons from anywhere at any time and display them on their panel, board, or projector. This platform also integrates with OneDrive, Dropbox, Google Classroom, and much more. The Promethean Engineering team continues to innovate and the next iteration of the Explain Everything Platform is expected to include a wide range of new features including ActivInspire flipchart import and math tools, among others.

ActivInspire, is Promethean's downloadable and collaborative lesson-delivery software, designed by teachers, for teachers. Capable of being run on any major operating system, ActivInspire allows teachers to seamlessly leverage and enhance existing content and resources. Prominent features of ActivInspire include: ability to smoothly insert multimedia into flipcharts, use of Clock, Timer and Spotlight tools to focus students' attention, gradual exposure of information with the Revealer tool, interaction with documents, websites, and other resources with the Annotation tool, use of interactive ruler, compass and protractor, and access to free resource pack. ActivInspire is currently offered at no charge with the purchase of Promethean's premium ActivPanels but it is also available for purchase to be used with any third party front of class display device.

Accessories

We also offer accessories for our IFPDs, including the Distance Learning Bundle (with webcam and tripod), Chromebox (facilitating instant access to Google applications and the Google Chrome ecosystem), ActivConnect OPS-M (facilitating access to the Microsoft ecosystem and ability to choose the customer's preferred interactive display operating system), ActivSoundBar (delivering up to 90 decibels of power), ActivPanel Stands (stands and mounts for the ActivPanels), and the OPS-A computing module (an Android 12 device built specifically for use with the ActivPanel LX)

Edmodo

Through our indirect, wholly-owned subsidiary, Edmodo, we operate a software platform known as Edmodoworld, outside of the U.S. in several schools in Hong Kong, Thailand, Egypt and Ghana. Edmodo provides a subscription-based product marketed mainly to Ministries of Education to enable their teachers to share content, quizzes and assignments and manage communications with students and colleagues. Earlier this year, we decided to shut down the Edmodoworld platform. Notice has been given to all users of Edmodoworld that the platform will be shut down permanently on March 31, 2024 and all accounts and data within those accounts will be permanently destroyed. It is the intention to wind down all remaining accounts of Edmodo and dissolve the company some time in the second quarter of 2024.

Early Childcare Learning Business

Global EduHub: Through our 85% owned subsidiary, Global EduHub Holdings Ltd. ("GEH"), and its various network of subsidiaries located in Singapore, we (i) own and operate 17 childcare/early childcare learning centers offering a proprietary curriculum for children aged two months to six years, which operate under the "Mulberry Learning", "Alphabet Playhouse" and "Little Greenhouse" brands, (ii) own and operate three community based student care centers operated as "Nascan" centers, (iii) operate thirty-nine school based (under the supervision of the Ministry of Education) Nascan student care centers that provide kindergarten and after school services for children and students from ages five to 12 years old, (iv) operate as franchisor, 14 childcare centers for children aged two months to six years and (v) operate as franchisor, six Nascan child care centers. The student care business is regulated by the Ministry of Education while the early childhood education/learning centers cater to private families with varying levels of income.

Sales and Marketing

The K-12 education market is highly fragmented, with an estimated 36.2 million K-12 classrooms worldwide outside of China. K-12 schools and school districts vary widely in size and often have unique technology requirements, including the need for installation, training, support and service. For these two principal reasons, resellers are the primary conduit through which K-12 schools purchase technology solutions of all types, including hardware, software and cloud-based solutions. Outside of the U.S., distributors are also important as they help facilitate warehousing, logistics, and relationships with resellers.

We believe that we have one of the most robust and scaled-out channel-based sales organizations in the K-12 education market. With over 140 sales professionals managing over 1,700 reseller channel partners and distributors serving over 125 different countries around the world, we believe that we have the infrastructure in place to expand our market share and launch our software capabilities. Our sales team interacts with the market at every level: customer, distributor, value added resellers and up to and including Ministries of Education.

Over the past 25 years we have recruited and developed an ecosystem of resellers and distributors, giving us "eyes and ears" in most markets to help alert us to new sales opportunities, budget availability, replacement cycles, RFPs and competitor activity, and providing us with significant sales leverage around the world. We believe that this network of relationships provides us with a critical advantage in introducing our new SaaS product, Explain Everything, into the market and achieving rapid scale. We develop deep relationships with our customers, distributors, and partners, and drive leads through customer referrals, word of mouth, organic search, digital advertising, social, and field events.

Many of our sales efforts are made with the intent to positively influence customer requirements contained within request for proposals (RFP) and tenders. To be successful with these efforts, we focus on brand awareness activities which include press relations in business, human resources, and education, combined with market specific campaigns including social, digital, and regional events and seminars.

Competition

The interactive education industry is highly competitive and characterized by frequent product introductions and rapid technological advances that have substantially increased the capabilities and use of interactive flat panels and interactive whiteboards. Interactive displays, since the time they were first introduced, have evolved from a high-cost technology that involves multiple components requiring professional installers, to a one-piece technology that is available at increasingly reduced-price points and affords simple installations. With lowered technology entry barriers, we face competition from other developers, manufacturers and distributors of interactive displays and personal computer technologies, tablets, television screens and smart phones including Smart Technologies, ViewSonic, Newline, Dell Computers, Samsung, Panasonic and ClearTouch.

Even with these competitors, we believe the market presents new opportunities in responding to demands to replace outdated and failing interactive displays with more affordable and simpler solution interactive displays. Our ability to integrate technologies and software and remain innovative and develop new technologies and software desired by our current and potential new customers will determine our ability to grow our interactive technology hardware and software business. In addition, we have begun to see expansion in the market to sales of complementary products that work in conjunction with our interactive display technology, including software and audio solutions.

Principal Markets

The principal market in which we compete is the K-12 education market where we provide hardware and accessories, services, and SaaS to schools and learning centers in over 125 countries. For a breakdown of our total revenues over the past three years, disaggregated by revenue source and geographic market, please see "Note 4. Revenue Recognition" set forth in our Consolidated Financial Statements under Item 18 herein.

Seasonality

Our revenues and operating results normally fluctuate as a result of seasonal variations in our business, driven largely by the purchasing cycles of the educational market. Traditionally, the bulk of expenditures by school districts occur in the second and third calendar quarters after receipt of budget allocations.

Sources and Availability of Raw Materials

Although we do source microchips and display panels, we do not directly source the raw materials that are used in our products. Our suppliers source various raw materials used in our products and the prices of such raw materials may be subject to volatility based on various market and geopolitical conditions.

Intellectual Property

As of the date of this Annual Report, our (in particular, Promethean's) intellectual property portfolio includes 24 granted and 23 pending patents. Many of our patents have been filed in multiple countries including the U.S., U.K. and Europe. These patents cover various aspects of our hardware and software systems relevant to the K-12 education and business areas. For example, Promethean has a number of design patents in the U.S. and foreign jurisdictions that cover the industrial design and user interfaces for its IFPDs. Furthermore, Promethean has pending and registered utility patents that cover a variety of hardware and software features such as touch input routing between the IFPD operating system and one or more applications running on the IFPD, systems and methods of mirroring multiple computing devices on an IFPD where the computing devices are connected via different local and wide area networks, system and methods for capturing and displaying annotations and overlays on an IFPD, systems and methods for adjusting user interfaces on the IFPD based on one or more characteristics of the user, and Promethean's ActivSync USB relay that allows multiple computer devices to connect to an IFPD via USB connections where one computing device can talk directly to another connected computing device over the USB connection.

We rely on a combination of trade secret, patent, copyright, and trademark laws, a variety of contractual arrangements, such as license agreements, assignment agreements, confidentiality and non-disclosure agreements, and confidentiality procedures and technical measures to gain rights to and protect the intellectual property used in our business. We actively pursue registration of our patents, trademarks, logos, service marks, and domain names in the U.S. and in other key foreign jurisdictions.

Certain of our products, such as the Mobile Application, ActivPanel Software, Web Portal and Screen Share, use "open source" software that we license from third parties. Open-source software is made available to the general public on an "as-is" basis under the terms of a non-negotiable license. Open-source software is generally freely accessible, usable and modifiable. Certain open-source licenses may require us to offer the components of our software that incorporate the open source software for no cost, make available source code for modifications or derivative works we create based upon incorporating or using the open source software, and license such modifications or derivative works under the terms of the particular open source license. We also rely on certain intellectual property rights that we license from third parties under proprietary licenses. Though such third-party technologies may not continue to be available to us on commercially reasonable terms, or at all, we believe that alternative technologies would be available to us.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners, and our software is protected by U.S. and international copyright laws. Our policy is to require employees and independent contractors to sign agreements assigning to the Company any inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf and agreeing to protect our confidential information, and all of our key employees and contractors have done so. In addition, we generally enter into confidentiality agreements with our vendors and customers. We also control and monitor access to, and distribution of our software, documentation and other proprietary information.

Regulation

Education Technology Sector

We are subject to regulations and laws specific to the education sector because we offer solutions and services to students, collect data from students, and offer education and training. Data privacy and security with respect to the collection of personally identifiable information from minors and in particular, students, continues to be a focus of worldwide legislation and regulation. Within the U.S., dozens of states have enacted student data privacy legislation that goes beyond any federal requirements relating to the collection and use of personally identifiable information and other data from minors. Many of these laws impose direct liability on EdTech operators. California, for example, passed the Student Online Personal Information Protection Act ("SOPIPA") which went into effect in 2016 and is considered to be the most comprehensive student data privacy legislation in the US that specifically addressed the changing nature of technology usage in schools by putting responsibility for compliance on the EdTech industry. SOPIPA expressly prohibits operators of a website, online service, or mobile application used primarily for K-12 school purposes from commercializing the collection of covered student data - either by selling it, using it to target advertisements to students or their families, or collecting it for any other noneducational purpose. It applies to any EdTech company regardless of whether they have a contract in place with the school or district. It also removes the idea of consent, meaning parents and students cannot consent to a company's use of a student's personal information for commercial purposes. Since the end of 2016, 33 states have introduced a version of California's SOPIPA or a similar piece of legislation that regulates our industry known as the SUPER (Student User Privacy in Education Rights) Act, and 12 states have passed those bills into law. SOPIPA and SUPER, and other recent student privacy laws impose direct liability on EdTech operators. See also "*Item 3.D – Risk Factors - Government regulation of education and student information is evolving, and unfavorable developments could have an adverse effect on our results of operations.*"

In addition, authorities around the world have adopted and are considering a number of legislative and regulatory proposals concerning data protection and limits on encryption of user data. Amongst others, we are and expect to continue to be subject to the following laws and regulations:

- The General Data Protection Regulation (GDPR), which applies to all of our activities conducted from an establishment in the EU or related to products and services that we offer to EU users or customers, or the monitoring of their behavior in the EU;
- Various state privacy laws, such as the California Consumer Privacy Act of 2018 (CCPA), which came into effect in January of 2020; the California Privacy Rights Act (CPRA), which went into effect in January 2023; the Virginia Consumer Data Protection Act (Virginia CDPA), which went into effect in January 2023; and the Colorado Privacy Act (ColoPA), which went into effect on July 1, 2023; all of which give new data privacy rights to their respective residents (including, in California, a private right of action in the event of a data breach resulting from our failure to implement and maintain reasonable security procedures and practices) and impose significant obligations on controllers and processors of consumer data;
- SB-327 in California, which regulates the security of data in connection with internet connected devices; and,
- Many state student data privacy laws which may differ from the consumer privacy laws in those states.

Further, we are subject to evolving laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive personal data. On July 10, 2023, the European Commission adopted an adequacy decision for the EU-US Data Privacy Framework ("DPF"). The DPF is the successor to the EU-US privacy shield, which the Court of Justice of the European Union (CJEU) declared invalid in 2020. The adequacy decision means that US businesses that self-certify under the DPF no longer require separate data transfer mechanisms in order to transfer personal data from the European Union to the U.S. Self-certified companies to the DPF will be able to freely transfer personal data from the European Economic Area to the US without having to conduct a data transfer impact assessment (DTIA) or implement supplemental measures. However, any company which relies on other data transfer mechanisms, such as Standard Contractual Clauses (SCCs), may have to adapt its existing contractual arrangements to incorporate DTIA before transferring data. The validity of data transfer mechanisms remains subject to legal, regulatory, and political developments in both Europe and the U.S., such as recent recommendations from the European Data Protection Board, decisions from supervisory authorities, recent proposals for reform of the data transfer mechanisms for transfers of personal data outside the U.K., and potential

invalidation of other data transfer mechanisms, which, together with increased enforcement action from supervisory authorities in relation to cross-border transfers of personal data, could have a significant adverse effect on our ability to process and transfer personal data outside of the European Economic Area and/or the U.K. See also "*Item 3.D – Risk Factors - Privacy and data protection regulations are complex and rapidly evolving, and we collect, process, store and use personal information and data, which subjects us to governmental regulation and other legal obligations related to privacy; any failure or alleged failure to comply with these laws could harm our business, reputation, financial condition, and operating results*."

Early Childcare Learning

In Singapore, the operation of kindergartens is regulated by the Early Childhood Development Centres Act, which was passed in 2017. This act sets forth certain prerequisite requirements that must be met to obtain a license to operate a kindergarten, such as physical requirements, staffing requirements and financial requirements. The Early Childhood Development Agency, an autonomous agency formed in 2013 and hosted under the Ministry of Social and Family Development of Singapore, serves as the regulatory and developmental authority for the early childhood sector in Singapore, overseeing various aspects of children's development, such as the setting up and licensing of kindergartens. Any change or addition to the laws and regulations imposed by authorities overseeing the preschool education sector in Singapore may have a material adverse effect on our Singapore operations conducted by our subsidiary GEH.

Locations

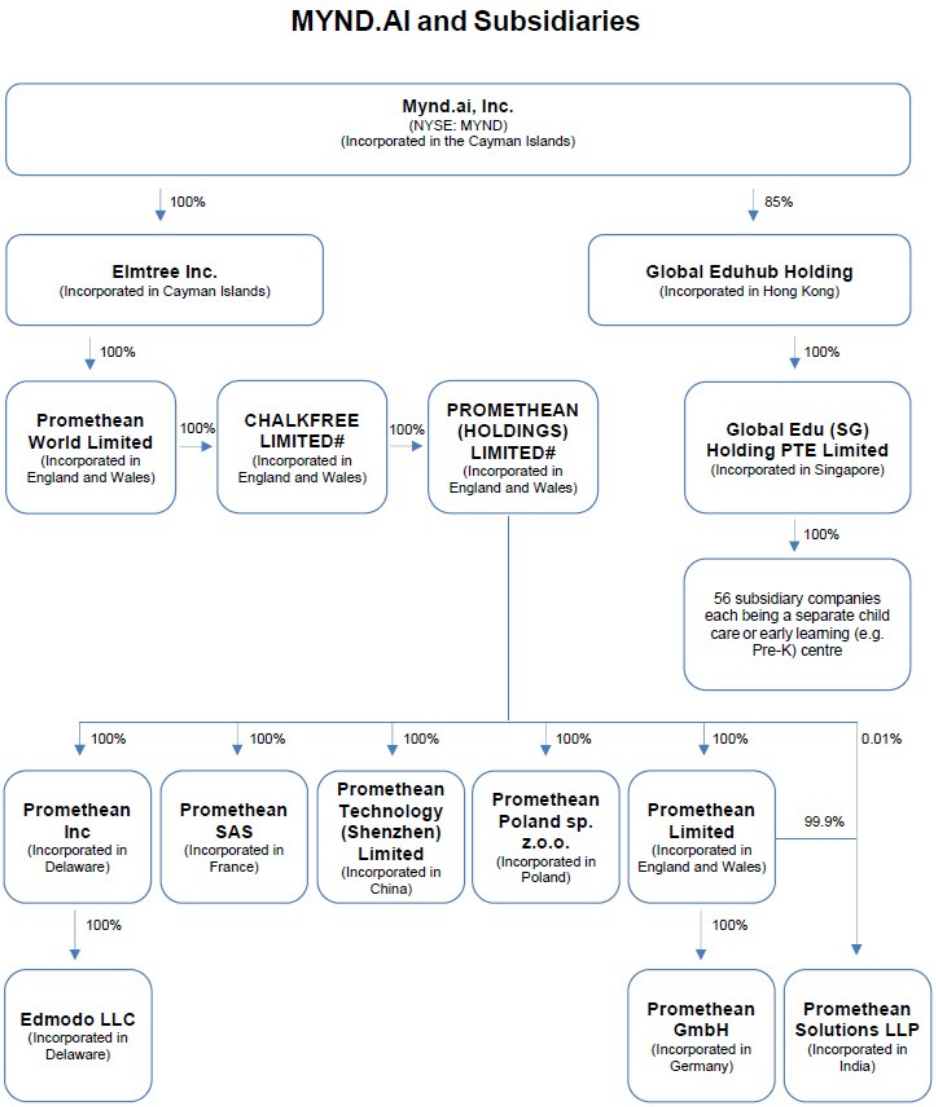
We are headquartered in Seattle, Washington and have other physical office locations in Alpharetta, Georgia, the U.K., France, Germany, Poland, China, Italy and Dubai.

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. For more information, see "*Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings*."

C. Organizational Structure

Set forth below is a diagram illustrating the Company and our subsidiaries:



D. Property, Plant and Equipment

We do not own any material tangible fixed assets. While we do lease properties in various locations, including our 15,631 square foot headquarters in Seattle, Washington and our 19,638 square foot offices in Alpharetta, Georgia, and while we also lease many of our childcare centers in Singapore, no single lease is material to our business.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 20-F. This discussion may contain forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements because of various factors, including those set forth under Item 3 "Key Information—D. Risk Factors" or in other parts of this Annual Report on Form 20-F. See also "Introductory Notes—Forward-looking Information."

A. Operating Results

Overview

We are dedicated to creating a robust, seamless, and comprehensive digital communication and collaboration platform for the education, business, and public sectors. Our solutions include a wide range of interactive tools and technologies, with our award-winning interactive displays at the forefront. Our comprehensive software platform is designed to make it easier than ever to create captivating lessons, presentations, and training programs that immerse people in a world of vibrant multimedia, real-time collaboration, and imaginative instruction.

Key Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by the general factors affecting the education technology industry in the markets in which we operate, including the level of overall economic growth and growth in education spending in those markets. In addition, they are also affected by factors driving uptake of education technology in the markets in which we operate, such as an increased rate of return to in-classroom learning, improvements in available education technology and software, and increasing broadband growth and internet access in emerging markets. Unfavorable changes in any of these general factors could materially and adversely affect our results of operations.

Key Metrics and Non-GAAP Measures

In reviewing our financial information, management focuses on a number of operating and financial metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

As a result, in addition to presenting financial measures in accordance with accounting principles generally accepted in the U.S. or GAAP, management's discussion may contain references to EBITDA, Adjusted EBITDA and Free Cash Flow, which are non-GAAP financial measures. The non-GAAP financial measures presented herein should not be considered a substitute for, or superior to, the measures of financial performance prepared in accordance with GAAP. Reconciliations between the non-GAAP financial measures and the most directly comparable GAAP measure are included where applicable.

EBITDA, Adjusted EBITDA, and Free Cash Flow are not presentations made in accordance with GAAP, and our use of the terms EBITDA, Adjusted EBITDA, and Free Cash Flow may vary from the use of similarity titled measures by others in our industry due to the potential of inconsistencies in the method of calculation and differences due to items subject to interpretation. We believe the presentation of EBITDA, Adjusted EBITDA, and Free Cash Flow provides useful information to management and investors regarding financial and business trends related to our results of operations and that when non-GAAP financial information is viewed with GAAP financial information, investors are provided with a meaningful understanding of our ongoing operating performance.

Non-GAAP measures should not be considered as alternatives to performance measures derived in accordance with GAAP as a measure of operating performance. EBITDA, Adjusted EBITDA, and Free Cash Flow have important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. EBITDA, Adjusted EBITDA, and Free Cash Flow have important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

Revenue

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Revenue	$ 413,564	$ 584,684	$ 448,193

We generate the majority of our revenue from the sales of hardware and accessory products to a global network of distributors and resellers, who are considered the customers for these products. We also separately recognize revenue when we arrange for the shipment, based on the request of the customer, of our hardware products by third-party logistics providers. Although not significant to our overall operations, we are currently investing in software-as-a-service (SaaS) product offerings, with a goal of realizing consistent revenue growth in this line of business in the coming years. Other major sources of revenue include the sale of extended warranties on our hardware products and training services for the use of our hardware, as well as early childcare education services provided in the Singapore market through our Global EduHub subsidiary.

Revenue is recognized at a point in time when the customer obtains control of the distinct good. For hardware and freight revenue, this occurs at the point in time when the goods are shipped by a third-party carrier or when the goods are made available for pick-up by the customer. For extended warranties and training services, as well as early childcare education services, revenue recognition occurs over time, as the related services are delivered.

Gross Profit

	Year Ended December 31,		
	2023	2022	2021
	(in thousands, except for %)		
Gross profit	$ 103,141	$ 143,915	$ 138,970
Gross profit as a percentage of total revenue	24.9%	24.6%	31.0%

Gross profit primarily represents the difference between the product cost from our suppliers, including the cost of inbound freight, and the sales price to our customers. Gross profit also reflects a number of other costs including, but not limited to, costs of providing warranties on our products, warehousing, amortization of certain intangible assets, depreciation of certain property, plant, and equipment, and allocations of certain employee costs and other shared costs.

Net Income (Loss)

	Year Ended December 31,		
	2023	**2022**	**2021**
	(in thousands)		
Net income (loss)	$ (37,831)	$ 22,585	$ (1,102)

EBITDA

We define EBITDA as net income (loss) adjusted to exclude interest expense, income tax expense (benefit), and depreciation and amortization.

Reconciliation of EBITDA to net income (loss):

	Year Ended December 31,		
	2023	**2022**	**2021**
	(in thousands)		
Net income (loss)	$ (37,831)	$ 22,585	$ (1,102)
Interest expense	4,661	1,833	173
Income tax expense (benefit)	(9,156)	(25,275)	1,787
Depreciation and amortization	5,124	4,520	6,116
EBITDA	**$ (37,202)**	**$ 3,663**	**$ 6,974**

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss), adjusted for loss from discontinued operations, interest expense, income tax expense (benefit), depreciation and amortization, and changes in the fair value of derivative instruments, as well as, non-cash, non-operating expenses such as stock-based compensation; and, one-time, unplanned and/or infrequent events we believe are outside the ordinary course of our continuing operations, including acquisition-related costs, restructuring costs, litigation costs, and gain on forgiveness of debt.

Reconciliation of Adjusted EBITDA to net income (loss):

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Net income (loss)	$ (37,831)	$ 22,585	$ (1,102)
Loss from discontinued operations	823	12,637	7,960
Interest expense	4,661	1,833	173
Income tax expense (benefit)	(9,156)	(25,275)	1,787
Depreciation and amortization	5,124	4,520	6,116
Acquisition-related costs	19,288	502	—
Restructuring costs[1]	10,195	238	469
Litigation costs[2]	—	637	1,840
Gain on forgiveness of debt[3]	—	(4,923)	—
Adjusted EBITDA	**$ (6,896)**	**$ 12,754**	**$ 17,243**

(1) Refers to employee severance costs, contract termination costs, facility restructuring, and business restructuring efforts undertaken by management.

(2) Refers to costs incurred to defend against, opportunistically settle, and establish a reserve for claims associated with litigation.

(3) Refers to forgiveness of loan provided by the U.S. Small Business Administration provided under the Payroll Protection Program (PPP).

Free Cash Flow

We calculate Free Cash Flow as net cash flows from operating activities as presented in the statement of cash flows of our financial statements less cash flows required for: (i) acquisition of property and equipment; and (ii) development costs associated with internal-use software. We consider Free Cash Flow to be a liquidity measure, therefore, we adjust our Free Cash Flow metric with amounts that directly impacted the cash flows in the period in addition to our operating activities. Free Cash Flow provides useful information to management and investors about the amount of cash generated by our operations, deducting for investments in or payments for property and equipment and internal-use software development costs to maintain and grow our business.

Reconciliation of Free Cash Flow to Net cash provided by (used in) operating activities:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Net cash provided by (used in) operating activities	$ (2,225)	$ (5,272)	$ (21,904)
Acquisition of property and equipment	(389)	(829)	(1,194)
Internal-use software development costs	(4,434)	(1,028)	—
Free Cash Flow	**$ (7,048)**	**$ (7,129)**	**$ (23,098)**

Results of Operations for the Years Ended December 31, 2023, 2022, and 2021

The following discussion and analysis highlights items that affected our results of operations for the years ended December 31, 2023, 2022, and 2021, as follows:

	Year Ended December 31,			2022 - 2023 Change		2021 - 2022 Change	
	2023	2022	2021	$	%	$	%
	(in thousands, except for percentages)						
Revenue	$ 413,564	$ 584,684	$ 448,193	$(171,120)	(29.3)%	$136,491	30.5%
Cost of sales	310,423	440,769	309,223	(130,346)	(29.6)%	131,546	42.5%
Gross profit	103,141	143,915	138,970	(40,774)	(28.3)%	4,945	3.6%
Gross profit as a percentage of total revenue	24.9 %	24.6 %	31.0 %				
Operating expenses:							
General and administrative	31,319	34,608	31,299	(3,289)	(9.5)%	3,309	10.6%
Research and development	34,604	41,459	35,591	(6,855)	(16.5)%	5,868	16.5%
Sales and marketing	51,488	60,848	60,545	(9,360)	(15.4)%	303	0.5%
Acquisition-related costs	19,288	502	—	18,786	3,742.2%	502	—%
Restructuring and other	10,195	238	469	9,957	4,183.6%	(231)	(49.3)%
Total operating expenses	146,894	137,655	127,904	9,239	6.7%	9,751	7.6%
Income (loss) from continuing operations	(43,753)	6,260	11,066	(50,013)	(798.9)%	(4,806)	(43.4)%
Other income (expense) from continuing operations, net:							
Interest expense	(4,661)	(1,833)	(173)	(2,828)	154.3%	(1,660)	959.5%
Gain on forgiveness of debt	—	4,923	—	(4,923)	(100.0)%	4,923	—%
Other income (expense)	2,250	597	(2,248)	1,653	276.9%	2,845	(126.6)%
Total other income (expense) from continuing operations, net	(2,411)	3,687	(2,421)	(6,098)	(165.4)%	6,108	(252.3)%
Operating income from continuing operations, before income taxes	(46,164)	9,947	8,645	(56,111)	(564.1)%	1,302	15.1%
Income tax benefit (expense)	9,156	25,275	(1,787)	(16,119)	(63.8)%	27,062	(1,514.4)%
(Loss) income from continuing operations	(37,008)	35,222	6,858	(72,230)	(205.1)%	28,364	413.6%

Loss from discontinued operations	(823)	(12,637)	(7,960)	11,814	(93.5)%	(4,677)	58.8%
Net income (loss)	**$ (37,831)**	**$ 22,585**	**$ (1,102)**	**$(60,416)**	**(267.5)%**	**$23,687**	**(2,149.5)%**

Revenue

Total revenue decreased by $171.1 million or 29.3%, to $413.6 million for the year ended December 31, 2023 from $584.7 million for the year ended December 31, 2022. Revenue was down across virtually all regions, with the exception of Germany, which stayed relatively flat year-over-year. The decline is reflective of a return to a more normal operating environment following significant disruptions as a result of the COVID-19 pandemic. As it specifically relates to the education technology market, government-funded COVID relief programs across the world caused significant increases in customer demand (due to availability of funds) in both 2021 and 2022. These programs had mostly concluded by 2023. Revenue in 2023 represents a continued upward trend in revenue when compared to pre-pandemic results.

Total revenue increased by $136.5 million, or 30.5%, to $584.7 million for the year ended December 31, 2022, from $448.2 million for the year ended December 31, 2021, as a result of increased unit volumes due to higher customer demand driven by the availability of government-funded, COVID-19 related relief programs.

Cost of Sales

Costs of sales decreased by $130.3 million, or 29.6%, to $310.4 million for the year ended December 31, 2023 from $440.8 million for the year ended December 31, 2022. The most significant driver of the decrease was the overall reduction in sales volume. Other savings consisted of lower component material pricing and lower freight rates (both market-based and due to optimization of providers). These decreases were partially offset by an increase in warranty service costs due both to an increased number of units under warranty, as well as higher repair costs as a result of deciding to send refurbished units versus new units to fulfill warranty claims.

Costs of sales increased by $131.5 million, or 42.5%, to $440.8 million for the year ended December 31, 2022, from $309.2 million for the year ended December 31, 2021, consistent with the increase in revenue, as well as year-over-year increases in material and logistics costs. Further, cost of sales was lower in 2021 as a result of a one-time benefit of $13.9 million related to a revision to our estimated U.S. tariff liabilities generated by the importation of our inventory from contract manufacturers in China. There was no comparable benefit recorded in 2022.

Gross Profit

Gross profit decreased by $40.8 million, or 28.3%, to $103.1 million for the year ended December 31, 2023 from $143.9 million for the year ended December 31, 2022. This decrease was due to the year-over-year reduction in revenue, as gross profit as a percentage of revenue increased 0.3% year-over-year. As discussed above, there were certain cost savings realized related to cost of sales during 2023, which positively impact gross profit as a percentage of revenue.

Gross profit increased by $4.9 million, or 3.6%, to $143.9 million for the year ended December 31, 2022 from $139.0 million for the year ended December 31, 2021, driven primarily by year-over-year growth in revenue. However, gross profit as a percentage of total revenue declined year-over-year as a result of increased sales volumes to lower margin countries and unfavorable impacts of foreign exchange rate fluctuations on revenue. In addition, there was a one-time benefit (reduction to cost of sales) of $13.9 million recorded in 2021 related to a revision to our estimated U.S. tariff liabilities generated by the importation of our inventory from contract manufacturers in China. There was no comparable benefit recorded in 2022.

Operating expenses

General and administrative expenses decreased by $3.3 million, or 9.5%, to $31.3 million for the year ended December 31, 2023, from $34.6 million for the year ended December 31, 2022. The decrease was driven primarily by a year-over-year decrease in corporate costs associated with the Edmodo business, following the shutdown of the Edmodo operations in the US at the end of the third quarter of 2022. These costs were not presented as discontinued operations because they supported both the US and non-US operations of Edmodo, which were still operating businesses at December 31, 2023.

General and administrative expenses increased by $3.3 million, or 10.6%, to $34.6 million for the year ended December 31, 2022, from $31.3 million for the year ended December 31, 2021. The increase was driven primarily by an increase in employee compensation costs associated with strategic initiatives as well as an increase to our allowance for estimated credit losses for certain receivables deemed unrecoverable.

Research and development expenses decreased by $6.9 million, or 16.5%, to $34.6 million for the year ended December 31, 2023, compared to $41.5 million for the year ended December 31, 2022. During 2023 there was an increased focus on R&D efforts related to internal-use software for future SaaS offerings. Qualifying R&D costs for such projects can be capitalized under US GAAP, which led to a decrease in year-over-year costs expensed directly in the consolidated statement of operations. In addition, people-related costs decreased as a result of lower attainment of bonus targets in 2023 versus 2022 due to year-over-year declines in revenue and EBITDA.

Research and development expenses increased by $5.9 million, or 16.5%, to $41.5 million for the year ended December 31, 2022, compared to $35.6 million for the year ended December 31, 2021. The increase was primarily due to increased employee compensation costs, as we continued to invest in our core technologies and new products and solutions.

Sales and marketing expenses decreased by $9.4 million, or 15.4%, to $51.5 million for the year ended December 31, 2023, compared to $60.8 million for the year ended December 31, 2022. The decrease was driven by lower year-over-year people costs, including lower commissions as a result of lower sales and realigning our resources to better leverage our distributor and partner network in our go-to-market efforts.

Sales and marketing expenses increased by $0.3 million, or 0.5%, to $60.8 million for the year ended December 31, 2022, compared to $60.5 million for the year ended December 31, 2021. The increase was primarily a result of continued investment in the sales organization to support and sell our products and services.

Acquisition-related costs increased by $18.8 million, or 3,742%, to $19.3 million for the year ended December 31, 2023, compared to $0.5 million for the year ended December 31, 2022. The increase was the result of the merger between eLMTree and GEH Singapore being a more significant transaction than the acquisition in 2022 of Explain Everything. The costs for the merger with GEH Singapore included one-time people-related costs and amounts paid to vendors and consultants assisting with the transaction. There were no acquisition-related costs for the year ended December 31, 2021.

Restructuring and other expenses increased by $10.0 million or 4,183.6%, to $10.2 million for the year ended December 31, 2023, compared to $0.2 million for the year ended December 31, 2022. The increase was driven by an increase in of $4.5 million in 2023, compared to $0.2 million in 2022, as management sought to restructure the organization to better align with its future operating strategies and goals. In addition, management recorded a $5.7 million write-off of prepaid subscriptions purchased from a third-party, as a result of changes in current and future product strategies.

Restructuring and other expenses decreased by $0.2 million, or 49.3%, to $0.2 million for the year ended December 31, 2022, compared to $0.5 million for the year ended December 31, 2021. The decrease was the result of a year-over-year reduction in people-related and severance costs.

Other income (expense)

Other income (expense) decreased by $6.1 million, or 165.4%, to $2.4 million of expense for the year ended December 31, 2023, compared to $3.7 million of income for the year ended December 31, 2022. This year-over-year change was driven primarily by an increase in interest expense of $2.8 million, due to an average higher outstanding balance on the line of credit in 2023 versus 2022. In addition, there was a $4.9 million gain recognized on the forgiveness of our PPP loan in 2022, with no such comparable gain in 2023.

Other income (expense) increased by $6.1 million, or 252.3% to $3.7 million of income for the year ended December 31, 2022, compared to $2.4 million of expense for the year ended December 31, 2021. This year-over-year change was primarily driven by a $4.9 million gain recognized on the forgiveness of our PPP loan in 2022. There was no comparable gain in 2021.

Income tax benefit (expense)

The income tax benefit decreased by $16.1 million, or 63.8%, to an income tax benefit of $9.2 million for the year ended December 31, 2023, as compared to an income tax benefit of $25.3 million for the year ended December 31, 2022. The income tax benefit recorded in 2023 was primarily driven by pretax losses during 2023. By comparison, the income tax benefit recorded in 2022 was primarily the result of the removal of a valuation allowance against certain deferred tax assets in the U.S.

The income tax benefit (expense) increased by $27.1 million, or 1,514.4%, to an income tax benefit of $25.3 million for the year ended December 31, 2022, as compared to an income tax expense of $1.8 million for the year ended December 31, 2021. This year-over-year change was primarily due to the removal of a valuation allowance against certain deferred tax assets in the U.S. in 2022.

Loss from discontinued operations

The loss from discontinued operations decreased by $11.8 million, or 93.5%, to a loss from discontinued operations of $0.8 million for the year ended December 31, 2023, as compared to a loss from discontinued operations of $12.6 million for the year ended December 31, 2022. The decrease is a result of the abandonment of the US operations of our Edmodo subsidiary in September 2022. The costs incurred in 2023 were related to run-off legal and compliance activities associated with the abandoned business.

The loss from discontinued operations increased by $4.7 million, or 58.8%, to a loss from discontinued operations of $12.6 million for the year ended December 31, 2022, as compared to a loss from discontinued operations of $8.0 million for the year ended December 31, 2021. The increase is a result of an intentional investment in the US operations of Edmodo, as part of a final effort to make the business profitable. Management ultimately decided that the additional investment was not proving successful, and fully abandoned the business in September 2022.

B. Liquidity and Capital Resources

As of December 31, 2023, our principal sources of liquidity were a secured revolving line of credit facility with Bank of America ("Revolver" or "line of credit") and funds from the issuance of a convertible note.

	For the year ended December 31,			2022 - 2023 Change		2021 - 2022 Change	
	2023	2022	2021	$	%	$	%
	(in thousands, except for percentages)						
Net cash (used in) provided by operating activities before changes in operating assets and liabilities	$ (32,541)	$ 14,883	$ 12,849	$ (47,424)	(318.6) %	$ 2,034	15.8 %
Net change in operating assets and liabilities	31,568	(8,076)	(26,331)	39,644	(490.9) %	18,255	(69.3) %
Net cash (used in) provided by operating activities - continuing operations	(973)	6,807	(13,482)	(7,780)	(114.3) %	20,289	(150.5) %
Net cash used in operating activities - discontinued operations	(1,252)	(12,079)	(8,422)	10,827	(89.6) %	(3,657)	43.4 %
Net cash (used in) provided by operating activities	(2,225)	(5,272)	(21,904)	3,047	(57.8) %	16,632	(75.9) %
Net cash provided by (used in) investing activities	19,334	(15,776)	(1,194)	35,110	(222.6) %	(14,582)	1,221.3 %
Net cash provided by financing activities	44,437	11,349	25,461	33,088	291.5 %	(14,112)	(55.4) %
Net increase (decrease) in cash and cash equivalents	**$ 61,546**	**$ (9,699)**	**$ 2,363**	**$ 71,245**	**(734.6)%**	**$ (12,062)**	**(510.5)%**

During the year ended December 31, 2023, net cash used in operating activities, before considering changes in operating assets and liabilities, of $32.5 million, was primarily related to $37.0 million in loss from continuing operations and $10.3 million in non-cash deferred tax benefit, partially offset by $5.7 million non-cash write-off of prepaid subscriptions, $5.1 million of non-cash depreciation and amortization and $2.0 million of non-cash lease expense. For further discussion see "*Results of Operations"* above. The $31.6 million net cash inflow from changes in operating assets and liabilities was primarily related to a decrease in inventories and an increase in accrued warranty and contract liabilities. This net cash inflow was partially offset by a decrease in accounts payable and accrued expenses and other liabilities and an increase in prepaid expenses and other assets.

During the year ended December 31, 2022, net cash provided by operating activities before changes in operating assets and liabilities of $14.9 million was primarily related to $35.2 million in income from continuing operations, $4.5 million of non-cash depreciation and amortization and $1.8 million of non-cash lease expense offset by $4.9 million gain on forgiveness of debt and non-cash deferred taxes of $25.3 million. For further discussion see "*Results of Operations*" above. The $8.1 million net change in operating assets and liabilities was primarily related to an increase in accounts receivable, inventories, prepaid expenses and other assets, deferred taxes, and a decrease in lease obligations from operating leases. This was partially offset by a decrease in amounts due from related parties, and an increase in accounts payable, accrued expenses and other liabilities, accrued warranties, amounts due to related parties, and contract liabilities.

During the year ended December 31, 2021, net cash provided by operating activities before changes in operating assets and liabilities of $12.8 million was primarily related to $6.9 million in income from continuing

operations, $6.1 million of non-cash depreciation and amortization, and $1.9 million of non-cash lease expense, offset by non-cash deferred taxes of $3.5 million. For further discussion of the specific drivers of this activity, see "*Results of Operations"* above. The $26.3 million net change in operating assets and liabilities was primarily related to a decrease in accounts receivable and prepaid expenses and other assets, as well as an increase in accounts payable and accrued expenses and other liabilities. This was partially offset by an increase in inventories and amounts due from related parties, as well as a decrease in accrued warranties, amounts due to related parties, contract liabilities, and lease obligations from operating leases.

Cash Flows from Investing Activities

Cash provided by investing activities during the year ended December 31, 2023 of $19.3 million was attributable to the repayment of the related party loan receivable of $8.0 million and net cash acquired as a result of the acquisition of subsidiaries of $16.1 million, partially offset by internal software development costs of $4.4 million and purchases of property, plant and equipment of $0.4 million.

Net cash used in investing activities during the year ended December 31, 2022 of $15.8 million was attributable to purchases of property, plant and equipment of $0.8 million, issuance of related party loan receivable of $7.9 million, internal-use software development costs of $1.0 million, and the Explain Everything, Inc. acquisition of $6.0 million.

Net cash used in investing activities during the year ended December 31, 2021 of $1.2 million was attributable to purchases of property, plant and equipment (which represent mainly furniture and office equipment),

Cash Flows from Financing Activities

Cash provided by financing activities during the year ended December 31, 2023 was $44.4 million, primarily resulting from proceeds from the issuance of the convertible note of $64.9 million, partially offset by net repayment of the Revolver of $18.3 million.

Cash provided by financing activities during the year ended December 31, 2022 was $11.3 million, primarily resulting from net proceeds from the Revolver of $13.7 million and proceeds from NetDragon group loans of $0.9 million, partially offset by repayment of NetDragon group loans of $3.2 million.

Cash provided by financing activities during the year ended December 31, 2021 was $25.5 million, primarily resulting from proceeds from Revolver of $34.0 million, proceeds from NetDragon group loans of $24.8 million, partially offset by repayment of NetDragon group loans of $33.3 million.

Sources of Liquidity

To date, the Company has financed its operations principally through debt and equity financings.

As of December 31, 2023, and 2022, we had $91.8 million and $29.3 million, respectively, of cash and cash equivalents. Since 2018, we have had a secured line of credit with Bank of America, with a current committed line limit of $74.0 million. As of December 31, 2023, and 2022, the outstanding balance on the line of credit was $32.0 million and $47.8 million, respectively.

On December 13, 2023, we issued a convertible promissory note (the "Note") in the aggregate principal amount of $65.0 million, which bears cash interest at the rate of 5.00% per annum and paid-in-kind ("PIK") interest at the rate of 5.00% per annum, and has a maturity date of December 13, 2028. The holder of the Note may elect, at any time, to convert some or all of the outstanding principal and accrued but unpaid interest into our ordinary shares or ADSs as provided therein. For further information on the Note, see "Item 7B. Related Party Transactions".

In June 2018, we entered into a secured revolving line of credit facility for borrowings up to $35.0 million with Bank of America with an original termination date of June 25, 2021, which was extended to January 19, 2028

through subsequent amendments. Such amendments also amended the borrowing capacity up to $74.0 million through March 31, 2024, and $50.0 million thereafter through January 19, 2028.

Interest on the Revolver accrues at the choice of rate of a) the Prime Rate as announced by Bank of America, (b) the Federal Funds Rate plus 0.50%, or (c) Bloomberg Short-term Bank Yield ("BSBY") for a fixed term of 30, 90, or 180 days (at our election), plus the Applicable Margin. The Applicable Margin varies between 0.90% and 2.30% and depends on our Fixed Charge Coverage Ratio and the type of rate chosen. Interest accrued on draws on the line of credit using the Prime Rate or the Federal Funds Rate plus 0.50% is calculated on a daily basis and is charged to the line of credit daily. Interest accrued on draws on the line of credit using the BSBY rate is calculated on a daily basis, but is only charged to the line of credit at the end of the 30, 90, or 180 day fixed term period we elect.

Borrowings under the Revolver are collateralized by our eligible trade receivables globally and eligible inventories in the U.S. and the Netherlands. Eligibility is determined by Bank of America and is based on the country of origin for the Company's trade receivables and the type and nature of our inventory in the U.S. and the Netherlands.

We may incur operating losses and generate negative cash flows from operations due to the investments we intend to continue to make in expanding our operations and sales and marketing, continued investments in new product offerings, and due to additional general and administrative expenses we expect to incur in connection with operating as a public company. As a result, we may require additional capital resources to execute strategic initiatives to grow our business. Notwithstanding these investments, management believes that our cash and cash equivalents will be sufficient to fund operating and capital needs for at least the next 12 months.

C. Research and Development, Patents and Licenses

See "Item 4. Information on the Company—B. Business Overview" and "Item 4. Information on the Company—B. Business Overview—Intellectual Property."

D. Trend Information

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2023 to December 31, 2023 that are reasonably likely to have a material effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect our reporting of, among other things, assets and liabilities, contingent assets and liabilities and total revenues and expenses. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Since our financial reporting process inherently relies on the use of estimates and assumptions, our actual results could differ from what we expect.

When reading our consolidated financial statements, you should consider our selection of critical accounting policies, the judgment and other uncertainties affecting the application of such policies, and the sensitivity of reported results to changes in conditions and assumptions. For further information on these accounting policies, see Note 2 to our consolidated financial statements included at Item 18 "*Financial Statements*." Our critical accounting policies and estimates did not change materially during the period ended December 31, 2023. We believe the following accounting estimates involve the most significant judgments used in the preparation of our financial statements.

Revenue Recognition

We recognize revenue pursuant to ASC 606, Revenue from Contracts with Customers ("ASC 606"), which prescribes that an entity should recognize revenue that depicts the transfer of products or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those products or services. The guidance also requires disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgment and changes in judgments and assets recognized from costs incurred to fulfill a contract.

Under ASC 606, we recognize revenue following a five-step model which prescribes we: (i) identify contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation. Performance obligations are satisfied both at a point in time and over time. All revenues are recognized based on the satisfaction of the performance obligations to date.

Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. In order to be distinct, the customer must be able to benefit from the service on its own or with readily available resources, and the promise to transfer the good or service must be separately identifiable from other goods and services in the contract.

When we enter into contracts whereby we will transfer cash or a credit note to a customer when a rebate has been achieved, we estimate the amount of consideration to which the customer will be entitled using the expected value method. We also enter into contracts with certain of our distributor and reseller partners where the sales price of the products or services transferred is not fixed at the time revenue is initially recognized but is rather subsequently determined by the price at which the distributor or reseller sells the products or services to the end consumer. These estimates are made using the expected value method based on historical rebate experience and expected future sales trends on a customer-by-customer basis. These estimates are measured at each reporting date and are generally resolved within 90 days of recognizing the initial revenue. Because these contracts contain elements of variable consideration, we only include this variable consideration in our transaction price when there is a basis to reasonably estimate the amount of consideration to which we expect to ultimately be entitled, and it is probable there will not subsequently be a significant reversal of revenue previously recognized.

Impairment of obsolete and slow-moving inventories

Inventories are valued at the lower of cost or net realizable value (NRV). We measure the cost of inventories based on the first-in first-out method. Inventory costs include expenditures incurred in acquiring the inventories, production or conversion costs, as well as other costs incurred in bringing them to their existing location and condition. Inventory is largely comprised of finished products intended for sale. We perform periodic assessments to determine the existence of obsolete, slow-moving, and non-saleable inventories, and make judgments and estimates regarding the future utility and carrying value of inventory. The carrying value of inventory is periodically reviewed and impairments, if any, are recognized when the expected net realizable value is less than carrying value.

Valuation of assets acquired and liabilities assumed in business combinations

We account for our business combinations using the acquisition method of accounting. The purchase consideration is allocated to the assets acquired and liabilities assumed based on their estimated fair values. The excess of (i) the fair value of purchase consideration and fair value of the non-controlling interests over (ii) the fair value of identifiable net assets acquired is recorded as goodwill. We make significant estimates and assumptions in determining fair values, especially with respect to acquired intangible assets, which include but are not limited to the selection of valuation methodologies, expected future revenue and net cash flows, expected customer attrition rates, future changes in technology, and discount rates. These estimates are inherently uncertain and, therefore, actual results may differ from the estimates made. As a result, during the measurement period of up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill as information on the facts and circumstances that existed as of the acquisition date becomes available. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statements of operations.

Evaluation of finite-lived tangible and intangible assets, and goodwill and indefinite-lived intangible assets for impairment

Long-lived assets, other than goodwill and other indefinite-lived intangibles, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows derived from such assets.

Factors that we consider in deciding when to perform an impairment review include significant changes in our forecasted projections for the asset or asset group for reasons including, but not limited to, significant underperformance of a product in relation to expectations, significant changes, or planned changes in our use of the assets, significant negative industry or economic trends, and new or competing products that enter the marketplace. The impairment test is based on a comparison of the undiscounted cash flows expected to be generated from the use of the asset group. If impairment is indicated, the asset is written down by the amount by which the carrying value of the asset exceeds the related fair value of the asset with the related impairment charge recognized within the statements of operations.

Goodwill and indefinite-lived intangibles are evaluated for impairment on an annual basis at a level of reporting referred to as the reporting unit, and more frequently if adverse events or changes in circumstances indicate that the asset may be impaired. We have the option to assess the qualitative factors in determining whether it is more likely than not the fair value of the reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. If we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative goodwill impairment test is performed. Impairment tests are performed, at a minimum, on December 31st each year. As a part of the impairment review, we make judgments regarding various assumptions with respect to revenues, operating margins, growth rates and discount rates and market multiples of comparable companies. The judgments made in determining the estimated fair value of a reporting unit can materially impact our financial condition and results of operations.

For the years ended December 31, 2023, 2022, and 2021, the fair value of the Company's reporting units has exceeded their carrying value**.**

If our estimates or underlying assumptions change in the future, we may be required to record impairment charges**.**

Valuation of embedded derivative

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date. The fair value of the Embedded Derivative was calculated using a with and without method on the date of issuance (December 13, 2023) and at the end of the reporting period (December 31, 2023) using a Monte Carlo simulation model that used various assumptions related to expected volatility, risk-free interest rate, and credit risk adjusted rate.

Valuation allowance for deferred tax assets

We account for income taxes under the asset and liability method. Deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, net of operating loss carry forwards and credits, by applying enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when we determine it is more likely than not that some portion or all deferred tax assets will not be realized.

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authorities. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provision for income taxes.

We do not provide for income taxes on our undistributed earnings of our foreign subsidiaries since such earnings are considered to be indefinitely reinvested or may be remitted tax-free. It is not practicable to estimate the

amount of deferred tax liability related to these investments. Carryforward attributes that were generated in tax years prior to those that remain open for examination may still be adjusted by relevant tax authorities upon examination if they either have been, or will be, used in a future period.

The Company has a history of generating book and taxable income in the primary jurisdictions in which it operates. However, as a public company Management expects to incur increased general and administrative expenses as it invests in processes, controls, technologies and governance and oversight to support its reporting obligations as a public company. These increased costs may result in the Company reporting losses in the future, thereby resulting in management concluding it is no longer more likely than not that some portions or all deferred assets will be realized. These increased costs may result in the Company reporting losses in the future which may impact the Company's valuation allowance analysis with respect to its deferred tax assets. A change to the valuation allowance could result in a charge to, or an increase in, income in the period the change in valuation allowance is made.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth certain information relating to our directors and executive officers as of the date of this Annual Report.

Name	Age	Position
Vincent Riera	53	Chief Executive Officer and Director
Dr. Simon Leung Lim Kin	69	Chairman of the Board and Director
Arthur Giterman	43	Chief Financial Officer
Matthew Cole	48	Executive Vice President - Global Sales
Paul Heffernan	55	Executive Vice President - Operations
Lance Solomon	54	Chief Product Officer
Allyson Krause	54	Executive Vice President & General Counsel
Ronan O'Loan	58	Chief Human Resources Officer
Robin Mendelson	57	Director
Denise Merle	60	Director
Joel A. Getz	59	Director
Dr. Tarek Shawki	66	Director
Dr. John Anthony Quelch	72	Director

Vincent Riera has served as our Chief Executive Officer and Director since December 2023. Previously, Mr. Riera served as the Chief Executive Officer of our subsidiary, Promethean World Limited ("***Promethean***") since January of 2017. Mr. Riera is an experienced global executive. Prior to joining Promethean, he served as Director and CEO of Collegis Education and, prior to Collegis, Mr. Riera served as Director and CEO of Edmentum, a leader in software curriculum and assessment solutions. In addition, Mr. Riera has also served in progressive leadership and general management roles at Gateway, Inc., Equant, Inc., now Orange Business Services, Verizon/MCI WorldCom, and GE Capital Commercial Direct. In addition to Mr. Riera's broad software, computing, services, and education industry background, he also has a proven track record of developing compelling and strategic plans that drive transformational growth and shareholder value. Mr. Riera is a graduate of Western New England University in Springfield, Massachusetts with a BS Degree in Business Administration.

Simon Leung Lim Kin has served as a Director and our Chairman of the Board since December 2023. Since March of 2015, Dr. Leung has served as Vice Chairman and as an Executive Director of NetDragon Websoft Holdings Limited, a publicly traded company listed on the Hong Kong Stock Exchange (0777.HK). Dr. Leung has been responsible for the planning, consolidation and operation of the education business of NetDragon in the PRC and the development of the online education business overseas. Dr. Leung has over 30 years of experience in both information technology and telecommunications industries. In 2005, Dr. Leung was appointed as the president of

Motorola Asia-Pacific, a company principally engaged in the production of data communication and telecommunication equipment, where he was primarily responsible for the overall strategic planning and implementation in the Asia-Pacific region. Since 2008, Dr. Leung was the chief executive officer of Microsoft Greater China region, a company principally engaged in developing, manufacturing, licensing and sales of software products, where he was primarily responsible for overseeing overall business operations and for developing and implementing a regional strategy. Prior to joining NetDragon, Dr. Leung also held management roles at various educational institutions or corporations engaging in the education business. From 2009 to 2010, he was the governor of the Upper Canada College, an educational institution, where he was primarily responsible for establishing and directing policy for the college and overseeing its financial affairs. In 2012, Dr. Leung was the chief executive officer of Harrow International Management Services Limited, a company principally engaged in the management of Harrow International Schools, where he was responsible for the development of new Harrow International Schools and education services in Asia. Dr. Leung received his Bachelor of Arts Degree and a Doctorate in Laws from the University of Western Ontario, Canada in 1978 and 2005 respectively and a Doctorate In Business Administration from Hong Kong Polytechnic University in 2007.

Arthur Giterman has served as our Chief Financial Officer since December 2023. Previously, Mr. Giterman served as Chief Financial Officer of Promethean since May of 2023. Mr. Giterman has over 20 years of experience in financial, strategic, and operational leadership at high-growth global technology companies. Prior to Promethean, Mr. Giterman most recently held the role of CFO of Aptean, a global provider of targeted ERP, supply chain management, and compliance solutions. Prior to that, Mr. Giterman held the role of SVP of Finance & Chief Accounting Officer at Nuance Communications (NASDAQ: NUAN), a market leader in the speech recognition and conversational AI space. Prior to joining Nuance Communications, Mr. Giterman held accounting and operation management roles at ART Technologies, Inc. Mr. Giterman began his career at PricewaterhouseCoopers LLP., where he served clients in the Audit and Business Advisory Services groups. Mr. Giterman holds a B.S. in Accounting from Bentley University.

Matthew Cole has served as Executive Vice President - Global Sales since December 2023. Previously, Mr. Cole served as Executive Vice President – Global Sales at Promethean since January 2023 and as Senior Vice President, since 2019. Prior to Promethean, Mr. Cole directed teams at Xerox to market and launch the latest print services offerings and the largest portfolio of new technology in the company's history. Mr. Cole earned his Bachelor's Degree in Business Administration and Management at Lehigh University.

Paul Heffernan has served as our Executive Vice President – Operations since December 2023. Previously, Mr. Heffernan served as Executive Vice President of Operations at Promethean since July 2021. Prior to joining Promethean, Mr. Heffernan worked in numerous industries, including consumer products, heavy industry, and automotive. Mr. Heffernan also held leadership roles at Broan-NuTone, Joy Global, and PACCAR, developing world-class sourcing and supply chain operations focused on improving the overall customer experience. Mr. Heffernan holds a Bachelor of Science degree in political science from Western Washington University and a Master of Business Administration from the University of Phoenix.

Lance Solomon has served as our Chief Product Officer since December 2023. Previously, Mr. Solomon served as Chief Product Officer of Promethean since September 2018 and prior to that served as Promethean's Executive Vice President of Operations. Before joining Promethean, Mr. Solomon was an executive at Amazon Web Services leading planning, purchasing, and delivering new technology to the data center. Prior to Amazon, Mr. Solomon was an executive at Logitech where, in addition to managing the operational aspects of the supply chain, he partnered with the business groups to bring new products to market through his leadership in marketing analytics and product launch management. Mr. Solomon has also held progressive leadership roles at Cisco Systems and Intel developing mathematical tools used by planners, engineers, designers, and operational leaders to drive strategy and efficiency. Mr. Solomon holds a Bachelor of Science Degree in Mathematics from Pennsylvania State University and a Master of Science Degree in Operations Research/Industrial Engineering from the University of Texas at Austin.

Allyson Krause has served as our Executive Vice President, General Counsel and Corporate Secretary since December 2023. Previously, Ms. Krause served as Promethean's Executive Vice President and General Counsel since July 2014 and, before that, as Head of Legal for North America since July of 2010. Prior to joining Promethean, Ms. Krause held several legal positions in both the public and private sectors, including six years as in-house counsel to Southwire Company and six years as an Assistant Attorney General for the State of Georgia, USA.

Ms. Krause holds a Bachelor of Arts degree in both Economics and Spanish from Brandeis University, and a law (Juris Doctor) degree from Emory University.

Ronan O'Loan has served as our Chief Human Resources (HR) Officer since December 2023. Previously, Mr. O'Loan served as Chief HR Officer of Promethean since February of 2020. Mr. O'Loan brings over 25 years of HR experience in the technology industry. Prior to joining Promethean, Mr. O'Loan served as CHRO for F5 Networks leading them through a period of CEO, strategy, organizational, and culture transition. Prior to F5 Networks, Mr. O'Loan led the corporate Talent & Organizational Development group for CVS Health in Providence RI, was Chief Talent Officer for Freescale Semiconductor in Austin TX (now part of NXP), and created and led Microsoft's global Change Management and Organizational Development function. Mr. O'Loan graduated with a Bachelor's Degree in Electrical and Electronic Engineering from Queens University Belfast, N. Ireland, and a Master's in Business Administration, specializing in International Finance and HR, from the Open University, UK.

Robin Mendelson has served as a Director of the Company since December 2023. Ms. Mendelson is a seasoned executive and board director with over 25 years of experience in building and leading high-growth technology-enabled businesses in the U.S. and internationally. From 1999 to 2019, Ms. Mendelson held leadership positions at Amazon, overseeing multibillion-dollar business portfolios. During her tenure at Amazon, she also led a global technology platform and expanded international business units for Amazon in France. Ms. Mendelson's e-commerce experience encompasses finance leadership, where among other roles, she led finance for Amazon's Worldwide Digital Products Group during the successful launch of the Kindle e-reader, Prime Video, and other transformative digital media products. Ms. Mendelson is a board director of Mainstay and Acadeum. She serves on the Advisory Board of Yale University's Broad Center for Public Education Leadership, the Yale University Alumni Board of Governors, and is a Trustee of Rainier Prep. Ms. Mendelson holds a Bachelor's degree from Duke University and a Master of Business Administration from Yale University School of Management.

Denise Merle joins as a Director of the Company since December 2023. Ms. Merle has been Senior Vice President and Chief Administration Officer at Weyerhaeuser Company, a global leader in sustainable forestry, natural climate solutions and wood products manufacturing since February 2018. Prior to this role, Ms. Merle held a variety of progressive leadership roles, including serving as Senior Vice President of human resources and investor relations, head of finance and human resources for Weyerhaeuser's $2 billion lumber business, and head of Internal Audit, risk management and enterprise planning. Ms. Merle has successfully led multiple transformational projects and initiatives, including the $8 billion integration of Weyerhaeuser and Plum Creek; the redesign of all executive compensation programs to drive financial performance, align with shareholder interests and ensure market competitiveness; and work to accelerate the company's DEI efforts through establishing an executive diversity council, revamping company employee resources groups, and communicating regularly on inclusion topics through an internal blog. Ms. Merle has a BS Degree in Accounting from Pacific Lutheran University and an MBA with international studies from Seattle University, and she is a Certified Public Accountant.

Joel A. Getz has served as a Director of the Company since September 2017. Mr. Getz is now the deputy dean for Alumni, Development, and Special Initiative at the Yale School of Management. He also serves as an independent director of Luckin Coffee Inc. (OTC: LKNCY) since December 2022, a director and the board secretary of The Stephan Co. (OTC: SPCO) since February 2017 and March 2017, respectively, and the board trustee of New England Innovative Academy since February 2020. Prior to that, Mr. Getz served in various development capacities for non-profit organizations in New York and California and was president of the Mayor's Fund to Advance New York City. From 1990 to 1997, Mr. Getz was the president and co-founder of Rim Pacific, a manufacturing and distribution firm focusing on art reproductions. Mr. Getz received his B.A. in 1986 from Harvard University.

Dr. Tarek Shawki has served as a Director of the Company since December 2023. Dr. Shawki currently serves as the University Counselor at The American University in Cairo. Prior to his current role, Dr. Shawki served as the Minister of Education and Technical Education in Egypt from February 2017 through August 2022. Throughout his tenure as the Minister of Education, Dr. Shawki led a massive transformation of Egyptian pre-university education starting in the fall of 2017 when he introduced the new Egyptian Education System known as "EGY Edu 2.0" which covers the grades from KG1 until G6 moving forward to cover all remaining grades by 2029. In addition, Dr. Shawki introduced a major integration of ICT technologies in high school education at a national scale and changed assessment models, digital learning resources and used electronic examinations across the country besides reinventing the structure of the "exit examination" in G12 in Egypt. Prior to serving as the Minister, Dr. Shawki served as the "Secretary General of the Presidential Specialized Councils" from February 2015 to January 2017

where he managed 4 advisory councils to the President of Egypt. He also served as the Chair of the Specialized Council for Education and Scientific Research. Through this presidential assignment, Dr. Shawki designed and founded the so-called "Egyptian Knowledge Bank" (EKB) which is the largest knowledge digital library in the world containing digital resources from world renowned publishers, and it is made freely available for all Egyptians since its launch in January 2016. Dr. Shawki was educated at Cairo University in Egypt where he earned a B.Sc. in Mechanical Engineering (1979) and later earned a Ph.D. in Engineering from Brown University (1985) in Rhode Island, U.S.A. where he also earned two Master of Science degrees in Applied Mathematics and Applied Mechanics. Dr. Shawki completed a post-doctoral assignment at the Massachusetts Institute of Technology (MIT) followed by 13 years as a professor of theoretical and applied mechanics at the University of Illinois at Urbana-Champaign.

Dr. John Anthony Quelch has served as a Director of the Company since December 2023. Dr. Quelch currently serves as Executive Vice Chancellor of Duke Kunshan University. From January 2023 through December 2023, he served as the Leonard M. Miller University Professor at the University of Miami Herbert Business School. Between 2017 and 2022, he also served as Dean of Miami Herbert Business School and as the University's vice provost for executive education. Prior to joining the Miami Herbert Business School, Dr. Quelch was the Charles Edward Wilson Professor of Business Administration at Harvard Business School from 2013 until 2017. He also held a joint appointment as professor of health policy and management at the Harvard T.H. Chan School of Public Health. Prior to his most recent time at Harvard, Dr. Quelch was dean, vice president and distinguished professor of international management of the China Europe International Business School (CEIBS) from 2011 to 2013, leading the school to realize a significant increase in annual revenues and improving the global ranking of its MBA programs. From 1998 to 2001, Dr. Quelch served as dean of the London Business School, where he helped transform the school into a globally competitive institution and launched seed capital funds to invest in student and alumni start-ups. Dr. Quelch initially joined Harvard Business School in 1979, holding a number of positions over the years, including Sebastian S. Kresge Professor of Marketing, co-chair of the marketing department and Lincoln Filene Professor of Business Administration. He served as senior associate dean of Harvard Business School from 2001 to 2010. Dr. Quelch has served as an independent director of several publicly traded companies in the United States and the U.K. as well as in nonprofit and public agency boards, including as chairman of the Massachusetts Port Authority. He is a member of the Trilateral Commission and the Council on Foreign Relations. Dr. Quelch earned a B.A. and an M.A. from Exeter College, Oxford University; an MBA from the Wharton School of the University of Pennsylvania; an MS from the Harvard School of Public Health; and a DBA in business from Harvard Business School.

There are no family relationships among any of our executive officers or directors.

B. Compensation

In the fiscal year ended December 31, 2023, the aggregate cash compensation paid to our current directors and executive officers was approximately $4.9 million and the aggregate cash compensation to our former directors and executive officers prior to giving effect to the Merger on December 13, 2023, was $1.1 million. Neither we nor our subsidiaries have set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Such agreements provide for an annual base salary, an annual bonus opportunity targeted at a percentage of the executive's base salary and the opportunity to participate in any equity compensation plan, other incentive compensation programs and other health, benefit and incentive plans offered to other senior executives of the Company. Subject to the terms of the employment agreements, we may terminate their employment at any time, with "cause", and we are not required to provide any prior notice of the termination. In addition, upon termination of an executive officer's employment without cause or resignation by the executive officer for "good reason," as defined in their employment agreements, such executive officer will, conditioned upon his/her execution of a separation and release agreement, be eligible to receive a severance payment in the amount specified in their employment agreement.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Equity Incentive Plan

In January 2024, our Board approved the Mynd.ai Equity Incentive Plan, which we refer to as the "Incentive Plan". The Incentive Plan provides eligible participants with compensation opportunities that will support the achievement of the Company's performance objectives, align the interests of eligible participants with those of the Company's shareholders, and attract, retain and motivate eligible participants critical to the long-term success of the Company and its subsidiaries.

Under the Incentive Plan, awards may be granted to officers, employees and consultants of the Company or any of our affiliates. The Incentive Plan will be administered by the Company's Compensation Committee which shall have the full power and authority to, among other things, select eligible participants, grant awards in accordance with the Incentive Plan, determine the number of shares subject to each award or the cash amount payable in connection with an award and determine the terms and conditions of each award. Awards may be granted in the form of stock or share options, restricted shares, restricted share units, stock or share appreciation rights, performance stock or shares, performance stock or share units and other awards. The maximum aggregate number of ordinary shares that is initially authorized for issuance under the Incentive Plan is 54,777,338, together with a corresponding number of American Depositary Shares. The number of ordinary shares available for issuance under the Incentive Plan will also include an automatic annual increase on the first day of each fiscal year beginning in 2025, equal to five percent (5%) of the total number of our ordinary shares outstanding, on a fully diluted basis, on the last day of our immediately preceding fiscal year. The Board has the authority to amend, suspend or terminate the Incentive Plan. No amendment, suspension or termination will be effective without the approval of the Company's shareholders if such approval is required under applicable laws, rules and regulations.

As of the date of this Annual Report, no awards have been granted under the Incentive Plan.

C. Board Practices

Board of Directors

Our board of directors consists of seven directors. None of our non-employee directors has a service contract with us that provides for benefits upon termination of service.

Director Independence

Our board of directors has undertaken a review of the independence of the directors and considered whether any director has a relationship with us that could interfere with such director's ability to exercise independent judgment in carrying out the responsibilities of a director. As a result of this review, our board of directors determined that Dr. John Quelch, Denise Merle, Robin Mendelson, and Joel Getz, representing four of our seven directors, are "independent directors" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and corporate governance rules of the NYSE (collectively, the "Listing Standards"). In making such determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining the director's independence, including the number of ordinary shares beneficially owned by the director.

Board Committees

Our Board has three standing committees: an Audit Committee; a Compensation Committee; and a Nominating and Corporate Governance Committee. Each of the committees reports to the Board as it deems appropriate and as the Board may request. The composition, duties and responsibilities of these committees are set forth below. In the future, our Board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Audit Committee. We have a standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee is responsible for, among other things:

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm their independence from management;
- reviewing, with our independent registered public accounting firm, the scope and results of their audit;

- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm any financial statements that we file with the SEC;
- overseeing our financial and accounting controls and compliance with legal and regulatory requirements;
- reviewing our policies on risk assessment and risk management;
- reviewing related person transactions; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters.

The Audit Committee is composed of Denise Merle, Robin Mendelson and Joel Getz, with Ms. Merle serving as chair. Our Board has determined that Ms. Merle qualifies as an "audit committee financial expert" and that each member of the Audit Committee meets the definition of "independent director" for purposes of serving on the Audit Committee under Rule 10A-3 of the Exchange Act and the Listing Standards of the NYSE. Our Board has adopted a written charter for the Audit Committee, which is available on our website at: www.mynd.ai under Governance. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

Compensation Committee. Our Compensation Committee is responsible for, among other things:

- reviewing and approving the corporate goals and objectives, evaluating the performance and reviewing and approving the compensation of our CEO and executive officers;
- reviewing and approving or making recommendations to our Board of Directors regarding our incentive compensation and equity-based plans, policies and programs;
- reviewing and approving employment agreements and severance arrangements for our executive officers;
- making recommendations to our Board of Directors regarding the compensation of our directors; and
- retaining and overseeing any compensation consultants.

The Compensation Committee is composed of Denise Merle, Robin Mendelson and Joel Getz, with Ms. Merle serving as chair. Each member of our Compensation Committee is a non-employee director (within the meaning of Rule 16b-3 under the Exchange Act) and our Board has determined that each member of the Compensation Committee meets the definition of "independent director" for purposes of serving on the Compensation Committee under SEC Rules and the Listing Standards of the NYSE. Our Board has adopted a written charter for the Compensation Committee, which is available on our website at: www.mynd.ai under Governance. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee is responsible for, among other things:

- identifying individuals qualified to become members of our Board of Directors, consistent with criteria approved by our Board of Directors;
- overseeing succession planning for our executive officers;
- periodically reviewing our Board of Directors' leadership structure and recommending any proposed changes to our Board of Directors;
- overseeing an annual evaluation of the effectiveness of our Board of Directors and its committees, including distributing annual written self and Board-assessments; and
- developing and recommending to our Board of Directors a set of corporate governance guidelines.

The Nominating and Corporate Governance Committee is composed of Dr Simon Leung, Vin Riera and Dr. John Quelch, with Dr. Leung serving as chair. Our Board of Directors has affirmatively determined that Dr. Quelch meets the definition of "independent director" for purposes of serving on the Nominating and Corporate Governance Committee under the independence standards under SEC Rules and the Listing Standards of the NYSE. Our Board has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on our website at: www.mynd.ai under Governance. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

D. Employees

As of December 31, 2021, 2022 and 2023, we had a total of 6,341, 1,143 and 1,365 employees, respectively. The significant decline in the number of employees from 2021 to 2022 is mainly attributable to the exit by Gravitas Education Holdings Inc., from its kindergarten business in April of 2022, during which a significant number of teaching staff and other staff in directly operated teaching facilities ceased to be our employees. As of December 31, 2023, approximately 317 of our employees were located in the U.S. and approximately 1,048 of our employees were located outside of the U.S.

We believe we offer our employees competitive compensation packages and a merit-based work environment that encourages proactivity and responsibility, and, as a result, we have generally been able to attract and retain qualified personnel.

We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes. Other than a Works Council established for the benefit of our employees in Germany and except for a small number of employees located in France, none of our employees are represented by labor unions.

E. Share Ownership

For information regarding share ownership, please see Item 7.A below.

F. Disclosure of registrant's action to recover erroneously awarded compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information with respect to beneficial ownership of our ordinary shares as of March 15, 2024, except otherwise noted, by:

- each of our executive officers;
- each of our non-employee directors:
- our executive officers and non-employee directors as a group; and
- each person known to us to beneficially own 5% or more of our ordinary shares.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes the power to direct the voting or the disposition of the securities or to receive the economic benefit of the ownership of the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. The calculations of percentage ownership in the table below are based on 456,477,820 ordinary shares outstanding as of March 15, 2024.

Unless otherwise indicated, the address of each person named below is c/o Mynd.ai, Inc., 720 Olive Way, Suite 1500, Seattle, WA 98101.

Name	Number of Ordinary Shares	Percent
Executive Officers:		
Vincent Riera	*	*
Arthur Giterman	*	*
Lance Solomon	*	*
Paul Heffernan	*	*
Allyson Krause	*	*
Ronan O'Loan	*	*
Matthew Cole	*	*
Non-Employee Directors:		
Dr. Simon Leung	17,691,157	3.9%
Dr. John Anthony Quelch	*	*
Denise Merle	*	*
Robin Mendelson	*	*
Dr. Tarek Shawki	*	*
Joel A. Getz	*	*
Executive Officers and Non-Employee Directors as a Group (13 persons):	17,691,157	3.9%
5% or Greater Shareholders:		
NetDragon Websoft Holdings Limited	338,243,483[(1)]	74.1%
Nurture Education Cayman Limited	32,136,853[(2)]	6.6%
Ascendent Rainbow (Cayman) Limited	36,721,489[(3)]	7.4%

* Less than 1%

(1) Represents ordinary shares held directly by NetDragon WebSoft, Inc. ("ND BVI"), a wholly-owned subsidiary of NetDragon Websoft Holdings Limited ("NetDragon"). NetDragon has the power to vote and dispose of the ordinary shares held by ND BVI. NetDragon has an address at Units 2001-05 & 11, 20/F. Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong.

(2) Includes ordinary shares issuable upon conversion of a certain convertible promissory note dated December 13, 2023, in the aggregate principal amount of $65.0 million, made by the Company in favor of the holder. The holder has an address at c/o Ascendent Capital Partners (Asia) Limited, Suite 3501, 35/F, Jardine House 1 Connaught Place, Central, Hong Kong.

(3) Includes ordinary shares issuable upon conversion of a certain convertible promissory note dated December 13, 2023, in the aggregate principal amount of $65.0 million, held by Nurture Education Cayman Limited, an affiliate of Ascendent Rainbow (Cayman) Limited..

We have one class of ordinary shares and each holder of our ordinary shares is entitled to one vote per ordinary share. As of March 15, 2024, we had 152 record holders of our ordinary shares. As set forth above, by virtue of the ownership of 74.1% of our ordinary shares by ND BVI, we are indirectly controlled by NetDragon.

B. Related Party Transactions

Senior Secured Convertible Note.

On December 13, 2023 ("the Closing Date"), pursuant to a Senior Secured Convertible Note Purchase Agreement, dated April 18, 2023, by and among the Company, Best Assistant, and Nurture Education (Cayman) Limited (the "Holder"), an affiliate of ACP, a shareholder of the Company, we issued to the Holder a senior secured convertible note, in the principal face amount of $65.0 million (the "Note").

The Note bears (i) cash interest at the rate of 5.00% per annum and (ii) PIK interest at the rate of 5.00% per annum payable by issuing additional notes (such additional notes, together with the Note issued on the Closing Date, the "Notes"). On the Closing date, we delivered a 12-month cash interest payment to the Holder for the first years' interest. Both the cash interest and PIK interest will be paid semiannually. Upon the continuation of an Event of Default as defined in the Notes, the Notes shall become immediately due and payable and all unpaid principal, together with all accrued and unpaid interest and the applicable Make Whole Premium (as defined in the Notes), shall be due and payable. If any amount payable under the Notes is not paid on its due date, an additional 2.00% per annum will be added to the cash interest rate. The Notes will mature on December 13, 2028, unless earlier converted, redeemed or repurchased. The Notes are convertible at the option of the Holder at any time until the outstanding principal amount (including any accrued and unpaid interest) has been paid in full. Subject to the terms of Notes, the Holder may elect to receive our ADSs in lieu of ordinary shares upon conversion of the Notes.

The Notes may be redeemed by us following the third anniversary of Closing Date, in whole or in part, at a redemption price equal to the outstanding principal amount plus accrued and unpaid interest (calculated to the redemption date) and plus certain make whole premiums as specified in the Notes (which means the aggregate amount of cash interest and PIK interest that would be payable until the maturity date). The Notes are guaranteed by Promethean, a wholly-owned subsidiary of eLMTree, and secured by all the shares of Promethean. The Notes are our senior obligations and rank *pari passu* in right of payment with all of our other senior and unsubordinated obligations and the Notes are subordinated to the loans under those certain loan and security agreement documents among Promethean, Bank of America, N.A. and certain other parties and certain other loan documents related thereto.

The initial conversion rate per $1,000 principal amount of the Notes is equal to (i) $1,000 divided by (ii) the initial conversion price of $2.0226 (which is 115% of the "GEHI Per Share Value" as defined under the Merger Agreement), such initial conversion price being subject to adjustments as provided in the Notes. Upon occurrence of a make whole fundamental change, the conversion rate will be adjusted based on certain make whole premiums. On each of the first anniversary and second anniversary of the Closing Date (each such anniversary, a "Reset Date"), if the volume weighted average closing price of our ordinary shares during any consecutive 40-trading day period in the 12 months preceding the relevant Reset Date (the "Reference Price") is below 85% of the initial conversion price, the conversion price will be adjusted to 115% of such Reference Price. If during the 12 months preceding a Reset Date there is more than one consecutive 40-trading day period when the volume weighted average closing price is below 85% of the initial conversion price, then the conversion price for the applicable Reset Date will be calculated based on the lower of (i) the volume weighted average closing price of the most recent applicable 40- trading day period and (ii) the average volume weighted average closing price for all applicable 40-trading day periods within the most recent six months. Notwithstanding the foregoing, in no event shall the conversion price be lower than 60% of the initial conversion price.

Upon the occurrence of a fundamental change (as defined in the Notes), we will offer to repurchase the Notes at a repurchase price of outstanding principal amount plus accrued and unpaid interest (calculated to the repurchase date). If the fundamental change is also a make whole fundamental change, the repurchase price will be outstanding principal amount plus accrued and unpaid interest (calculated to the repurchase date) and plus the make whole premiums.

So long as any Note remains outstanding, without consent of the majority noteholders, we and our subsidiaries are restricted from incurring certain indebtedness, entering into certain related party transactions, consummating certain asset sales or asset acquisitions, or undertaking certain capital expenditures.

We also entered into a registration rights agreement with the Holder, pursuant to which we granted the Holder certain registration rights in connection with our ordinary shares that may be issued upon conversion of the Notes.

Lock-up Agreement.

On December 13, 2023, we entered into a lock-up agreement with NetDragon Websoft Inc., pursuant to which NetDragon agreed that it would not, without the prior written consent of our Board of Directors, during the period commencing on that date and ending 24 months thereafter, sell, transfer or otherwise dispose of any of our ordinary shares it owns provided, however, that such restriction will terminate with respect to 50% of the ordinary shares held by NetDragon, on December 13, 2024. Notwithstanding the foregoing, the agreement also provides that after June 13, 2024, Netdragon may sell up to 20% of our ordinary shares it owns, if the trading price for our ADS exceeds 150% of the Reference Price (as defined therein) for any 20 trading days within any 30 consecutive trading days.

Commercial Agreements with NetDragon Affiliates.

We have entered into certain independent contractor agreements with Best Assistant Education Online Limited ("Best Assistant"), a controlled subsidiary of NetDragon, pursuant to which Best Assistant and its affiliates provide certain technological design, development and programming services to us in connection with a variety of our products. For the year ended December 31, 2023, we incurred approximately $5.4 million in fees under this agreement.

We have also entered into certain distribution agreements with Elernity Limited ("Elernity"), a controlled subsidiary of NetDragon, pursuant to which we have granted certain distribution rights to Elernity for our products in Hong Kong, Malaysia and Saudi Arabia. For the year ended December 31, 2023, we paid only nominal amounts to Elernity under these agreements.

Agreements with Minority Owner of Global Eduhub Holdings Limited

As set forth in "Item 4.B - Information on the Company - Business Overview" above, we acquired an 85% ownership interest in Global Eduhub Holdings Limited (together with its subsidiaries, "GEH Singapore"), which owns, operates and serves as franchisor of early childcare and learning centers in Singapore. The owner of the other 15% of GEH Singapore is Randsdale Resource Limited, an entity controlled by Ms. Koh Chow Chee, the founder and CEO of the GEH Singapore business. Ms. Chee also owns directly or indirectly, four early learning childcare centers in Singapore which are separate from GEH Singapore, and we have entered into certain arrangements with Ms. Chee whereby GEH Singapore provides staffing and management services to such centers and such centers purchase proprietary products from GEH Singapore.

The Merger Transactions

On April 18, 2023, we entered into an agreement and plan of merger among Bright Sunlight Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of the Company (the “Merger Sub”), Best Assistant Education Online Limited, a Cayman Islands exempted company (“Best Assistant”) and a controlled subsidiary of NetDragon Websoft Holdings Limited (HKEX: 0777, “NetDragon”), a Cayman Islands exempted company, and solely for purposes of certain named sections thereof, NetDragon (the "Original Merger Agreement") as amended via a certain Omnibus Amendment and Waiver dated as of October 18, 2023 (the “First Amendment”); and as further amended via a Second Omnibus Amendment and Waiver, dated as of December 7, 2023 (the “Second Amendment”) (both the First Amendment and the Second Amendment, together with the Original Merger Agreement, are collectively referred to herein as the “Merger Agreement”). The Merger Agreement contemplated that Best Assistant would transfer the education business of NetDragon outside of the Peoples Republic of China ("PRC") to Elmtree Inc., a Cayman Islands exempted company limited by shares and wholly-owned by Best Assistant who became a party to the Merger Agreement by executing a joinder on August 18, 2023 (“eLMTree”), and Merger Sub would merge with and into eLMTree with eLMTree continuing as the surviving company and becoming our wholly owned subsidiary (such transactions collectively, the “Merger”).

On December 13, 2023, we consummated the closing of the transactions contemplated by the Merger Agreement and certain other agreements set forth therein ("Closing"), pursuant to which, (i) Best Assistant transferred the education business of NetDragon outside of the PRC to eLMTree, (ii) Merger Sub merged with and into eLMTree with eLMTree continuing as the surviving company and becoming our wholly owned subsidiary, (iii) we changed our name to "Mynd.ai, Inc." and (iv) we issued 329,812,179 of our ordinary shares to NetDragon WebSoft, Inc. ("ND BVI"), a wholly-owned subsidiary of NetDragon, and 96,610,041 of our ordinary shares to former shareholders of Best Assistant. The Company is now listed on NYSE American LLC, and our ADS trade under the symbol "MYND."

Also concurrent with the Closing of the Merger:

- we transferred our entire education business in the PRC to Rainbow Companion, Inc., a purchaser consortium formed by the Founding Shareholders (as hereinafter defined) and their affiliates in consideration of $15 million (the "2023 Divestiture");
- ND BVI, a wholly-owned subsidiary of NetDragon, purchased an aggregate of 8,528,444 of the Company's ordinary shares from Joy Year Limited, Bloom Star Limited, Ascendent Rainbow (Cayman) Limited ("ACP"), Trump Creation Limited and China Growth Capital Limited (collectively, the "Founding Shareholders"), for an aggregate consideration of $15 million (the "Secondary Sale"); and
- Nurture Education Cayman Limited, an affiliate of ACP, purchased a $65.0 million convertible promissory note from us (the "Convertible Note").

Registration Rights Agreements.

We have entered into Registration Rights Agreements with each of NetDragon and Nurture Education (Cayman) Limited, pursuant to which we have granted them certain "Demand" and 'Piggy-back" registration rights with respect to the ordinary shares held by NetDragon and the ordinary shares underlying the Convertible Note held by Nurture Education (Cayman) Limited.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18. Financial Statements," which contains our financial statements prepared in accordance with U.S. GAAP.

B. Significant Changes

Except as otherwise disclosed in this Annual Report, we are not aware of any significant changes that have occurred since December 31, 2023.

ITEM 9. THE OFFER AND LISTING

A. Offering and Listing Details

See "Item 9.C. Markets."

B. Plan of Distribution

Not applicable.

C. Markets

Since December 13, 2023, our ADS have been traded on the NYSE American under the symbol "MYND." Each of our ADS presently represents 10 of our ordinary shares. Our ADS were originally listed on the New York Stock Exchange on September 27, 2017, and traded under the symbol "RYB." On May 24, 2022, our ADS began trading under the symbol "GEHI." Prior to October 14, 2022, each of our ADSs represented one Class A ordinary share. On October 14, 2022, we effected a change in the ratio of our ADSs to one ADS representing 20 Class A ordinary shares. On October 31, 2023, we effected a further change in the ratio of our ADSs to one ADS representing 10 of our ordinary shares.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital.

Not applicable.

B. Memorandum of Articles of Association,

The information set forth in Exhibit 2.6 is incorporated herein by reference.

C. Material Contracts.

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company" and "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" or elsewhere in this Annual Report.

D. Exchange Controls

Not applicable.

E. Taxation.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. In addition, the Cayman Islands does not impose withholding tax on dividend payments and is not party to any double tax treaties that are applicable to any payments made to or by the Company. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by the U.S. Holders described below that hold the ADSs or ordinary shares as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof and any of which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax considerations described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address the U.S. federal estate, gift, and alternative minimum tax considerations, the Medicare tax on net investment income, or any state, local and non-U.S. tax considerations relating to the ownership or disposition of the ADSs or ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of tax accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- persons who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- persons who hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- persons that actually or constructively own 10% or more of our stock (by vote or value);
- passive foreign investment companies or controlled foreign corporations; or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes and their partners;

all of whom may be subject to tax rules that differ significantly from those discussed below.

EACH U.S. HOLDER IS URGED TO CONSULT ITS TAX ADVISOR REGARDING THE APPLICATION OF U.S. FEDERAL TAXATION TO ITS PARTICULAR CIRCUMSTANCES, AND THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSIDERATIONS OF THE OWNERSHIP AND DISPOSITION OF THE ADSS OR ORDINARY SHARES.

General

For purposes of this discussion, a "U.S. Holder" is a person that for U.S. federal income tax purposes is a beneficial owner of the ADSs or ordinary shares that is any of the following:

- an individual who is a citizen or resident of the U.S. or someone treated as a U.S. citizen or resident for U.S. federal income tax purposes;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the law of, the U.S. or any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If an entity or arrangement which is treated as a partnership for U.S. federal income tax purposes is a beneficial owner of the ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Entities or arrangements which are treated as partnerships for U.S. federal income tax purposes and their partners are urged to consult their tax advisors regarding an investment in the ADSs or ordinary shares.

Treasury regulations that apply to taxable years beginning on or after December 28, 2021, or the Foreign Tax Credit Regulations, may in some circumstances prohibit a U.S. person from claiming a foreign tax credit with respect to certain non-U.S. taxes that are not creditable under applicable income tax treaties.

For U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of the ADSs will be treated in this manner and that deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Dividends

Subject to the discussion below under "Passive Foreign Investment Company Rules," any cash distributions (including the amount of any taxes withheld thereon) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on our ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

Individuals and other non-corporate U.S. Holders will be subject to tax at the lower capital gains tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our ADSs are readily tradeable on an established securities market in the United States, (2) we are neither a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for the taxable year in which the dividend is paid and the preceding taxable year, (3) certain holding period requirements are met, and (4) such non-corporate U.S. Holders are not under an obligation to make related payments with respect to positions in substantially similar or related property. For this purpose, ADSs listed on New York Stock Exchange will generally be considered to be readily tradable on an established securities market in the United States. You should consult your tax advisor regarding the availability of the lower rate for dividends paid with respect to our ADSs or ordinary shares.

For U.S. foreign tax credit purposes, dividends paid on our ADSs or ordinary shares generally will be treated as income from foreign sources and generally will constitute passive category income. Subject to certain conditions and limitations, non-US withholding taxes on dividends may be treated as foreign taxes eligible for credit against your U.S. federal income tax liability. If you do not elect to claim a foreign tax credit, you may instead claim a deduction for U.S. federal income tax purposes in respect of such withholding, but only for a year in which you elect to do so for all creditable foreign income taxes. You should consult your tax advisor regarding the creditability of any such withholding tax.

Sale or Other Disposition

Subject to the discussion below under "Passive Foreign Investment Company Rules," a U.S. Holder will generally recognize gain or loss upon the sale or other disposition of our ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. The gain or loss will generally be capital gain or loss. Individuals and other non-corporate U.S. Holders who have held the ADS or ordinary shares for more than one year will generally be eligible for reduced tax rates. The deductibility of a capital loss may be subject to limitations. Any such gain or loss that the U.S. Holder recognizes will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes, which will generally limit the availability of foreign tax credits.

Passive Foreign Investment Company Rules

If we are classified as a passive foreign investment company under Section 1297 of the Code (a "***PFIC***") in any taxable year, a U.S. Holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation, such as the Company, will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income (such as interest income) (the "***Income Test***"); or
- at least 50% of its gross assets (determined on the basis of a quarterly average) is attributable to assets that produce passive income or are held for the production of passive income (the "***Asset Test***").

For this purpose, cash and assets readily convertible into cash are categorized as assets that are held for the production of passive income. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

It is uncertain whether we or any of our subsidiaries will be treated as a PFIC for U.S. federal income tax purposes for the current or any subsequent tax year. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. Fluctuations in the market price of our ADSs may cause us to be

classified as a PFIC for the current or future taxable years because the value of our assets for purposes of the Asset Test, including the value of our goodwill and un-booked intangibles, may be determined by reference to the market price of our ADSs form time to time (which may be volatile). Under the Income Test, our status as a PFIC depends on the composition of our income which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by the spending of the cash we raise in any offering. Because PFIC status is based on our income, assets, and activities for the entire taxable year, it is not possible to determine whether we will be characterized as a PFIC for the current taxable year or any subsequent year until after the close of the relevant taxable year.

If we are classified as a PFIC in any year with respect to which a U.S. Holder owns our securities, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns our securities, regardless of whether we continue to meet the tests described above for any succeeding year(s) unless (i) we cease to be a PFIC and the U.S. Holder has made a "deemed sale" election under the PFIC rules, or (ii) the U.S. Holder makes a QEF Election (as defined below) with respect to all taxable years during such U.S. Holders holding period in which we are a PFIC. If the "deemed sale" election is made, a U.S. Holder will be deemed to have sold the securities the U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. Holder's securities with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any "excess distribution" the U.S. Holder receives from us or any gain from an actual sale or other disposition of the securities. U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if we cease to be a PFIC and such election becomes available.

For each taxable year we are treated as a PFIC with respect to U.S. Holders, U.S. Holders will be subject to special tax rules with respect to any "excess distribution" such U.S. Holder receives and any gain such U.S. Holder recognizes from a sale or other disposition (including, under certain circumstances, a pledge) of securities, unless (i) such U.S. Holder makes a QEF Election (as defined below) or (ii) our securities constitute "marketable" securities, and such U.S. Holder makes a mark-to-market election as discussed below. Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions such U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the securities will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder's holding period for the securities;
- the amount allocated to the taxable year of disposition, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year for individuals or corporations, as appropriate, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the securities cannot be treated as capital, even if a U.S. Holder holds the securities as capital assets.

If we are a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the capital stock of, any of our direct or indirect subsidiaries that also are PFICs, as if such distributions were indirectly received by, and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to our subsidiaries.

Certain elections exist that may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment of the securities. A U.S. Holder may avoid the general tax treatment for PFICs described above by electing to treat us as a "qualified electing fund" under Section 1295 of the Code (a "***QEF***," and such

election, a "***QEF Election***") for each of the taxable years during the U.S. Holder's holding period that we are a PFIC. If a QEF Election is not in effect for the first taxable year in the U.S. Holder's holding period in which we are a PFIC, a QEF Election generally can only be made if the U.S. Holder elects to make an applicable deemed sale or deemed dividend election on the first day of its taxable year in which the PFIC becomes a QEF pursuant to the QEF Election. The deemed gain or deemed dividend recognized with respect to such an election would be subject to the general tax treatment of PFICs discussed above. In order to comply with the requirements of a QEF Election, a U.S. Holder must receive a PFIC Annual Information Statement from us. We intend to use commercially reasonable efforts to provide the information necessary for U.S. Holders to make or maintain a QEF Election, including information necessary to determine the appropriate income inclusion amounts for purposes of the QEF Election. However, there is no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided. Furthermore, there can be no assurance that we will at all times be in a position to provide such information with respect to any particular U.S. Holder.

If a U.S. Holder makes a QEF Election with respect to a PFIC, it will be taxed currently on its pro rata share of the PFIC's ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is a PFIC, even if no distributions were received. Any distributions we make out of our earnings and profits that were previously included in such a U.S. Holder's income under the QEF Election would not be taxable to such U.S. Holder. Such U.S. Holder's tax basis in its securities would be increased by an amount equal to any income included under the QEF Election and decreased by any amount distributed on the securities that is not included in its income. In addition, a U.S. Holder will recognize capital gain or loss on the disposition of its securities in an amount equal to the difference between the amount realized and its adjusted tax basis in the securities, each as determined in U.S. dollars. Once made, a QEF Election remains in effect unless invalidated or terminated by the IRS or revoked by the shareholder. A QEF Election can be revoked only with the consent of the IRS. A U.S. Holder will not be currently taxed on the ordinary income and net capital gain of a PFIC with respect to which a QEF Election was made for any taxable year of the non-U.S. corporation that such corporation does not satisfy the Income Test or Asset Test. Each U.S. Holder should consult its tax advisor regarding the availability of, and procedure for making, any deemed gain, deemed dividend or QEF Election.

Alternatively, U.S. Holders can avoid the interest charge on excess distributions or gain relating to the securities by making a mark-to-market election with respect to the securities, provided that the securities constitute "marketable stock." "Marketable stock" is, generally, stock that is "regularly traded" on certain U.S. stock exchanges or on a foreign stock exchange that meets certain conditions. For these purposes, the securities are considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. Our securities are listed on the NYSE, which is a qualified exchange for these purposes. Consequently, if our ordinary shares remain listed on the NYSE and are regularly traded, and you are a U.S. Holder of securities, we expect the mark-to-market election would be available to you if we are a classified as a PFIC. Each U.S. Holder should consult its tax advisor as to the whether a mark-to-market election is available or advisable with respect to the securities.

A U.S. Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the securities at the close of the taxable year over the U.S. Holder's adjusted tax basis in the securities. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the securities over the fair market value of the securities at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the securities will be treated as ordinary income, and any losses incurred on a sale or other disposition of the shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS, unless the securities cease to be marketable.

However, a mark-to-market election generally cannot be made for equity interests in any lower-tier PFICs that we own, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. Holder validly makes a mark-to-market election with respect to our securities, the U.S. Holder may continue to be subject to

the PFIC rules (described above) with respect to its indirect interest in any of our investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

Unless otherwise provided by the IRS, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the IRS may require. A U.S. Holder's failure to file the annual report will cause the statute of limitations for such U.S. Holder's U.S. federal income tax return to remain open with regard to the items required to be included in such report until three years after the U.S. Holder files the annual report, and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder's entire U.S. federal income tax return will remain open during such period. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules.

WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISOR REGARDING THE IMPACT OF OUR PFIC STATUS ON YOUR INVESTMENT IN THE SECURITIES AS WELL AS THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE SECURITIES.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the U.S. or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding on a duly executed IRS Form W-9 or otherwise establishes an exemption.

The amount of any backup withholding from a payment to a U.S. Holder may be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and, under regulations, certain entities) may be required to report information relating to the securities, subject to certain exceptions (including an exception for securities held in accounts maintained by certain U.S. financial institutions), by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. Such U.S. Holders who fail to timely furnish the required information may be subject to a penalty. Additionally, if a U.S. Holder does not file the required information, the statute of limitations with respect to tax returns of the U.S. Holder to which the information relates may not close until three years after such information is filed. U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their ownership and disposition of the securities.

U.S. Treasury Regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the applicable U.S. Treasury Regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of foreign currency, to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. U.S. Holders should consult their tax advisors to determine the tax return obligations, if any, with respect to our securities, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

F. Dividends and Paying Agents.

Not applicable.

G. Statement by Experts.

Not applicable.

H. Documents on Display.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year. Copies of reports and other information, when so filed, may be inspected without charge and may be obtained at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

You may also view our filings made with the SEC on our website at www.mynd.ai. Information contained in our website is not a part of, nor incorporated by reference into, this Annual Report or our other filings with the SEC, and should not be relied upon.

I. Subsidiary Information.

Not applicable.

J. Annual report to security holders.

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Management has identified our negative exposure due to changes in interest rates, foreign currency exchange rates, and inflation as areas of potential risk, which we have evaluated further below.

Interest Rate Risk

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. We manage our interest rate risk exposure, predominantly by maintaining a balance of fixed and variable rate debt, while also maintaining cash balances that generate interest income.

More specifically, the recently issued convertible note has a fixed interest rate for its full 5-year term. Our revolving line of credit with Bank of America has a variable interest rate which, depending on the type of borrowing on the line we elect, is based on either the Federal Funds Rate or the BSBY. However, we also maintain cash deposit balances with Bank of America which are indexed to similar interest rates. Therefore, a change in the variable interest rate on the line of credit would be offset at least partially by an increase on the interest rate on our cash holdings. These offsetting interest rate changes mitigate the risk of variable interest rate changes on our operating results and financial conditions.

For the year ended December 31, 2023, a 10% change in the interest rate on our revolving line of credit would increase or decrease our interest expense on our line of credit by $0.4 million. However, as discussed above, this
impact would be at least partially offset by interest income earned on our cash holdings (the extent of which is dependent on the balance of cash held).

Foreign Currency Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Most of our revenue is denominated in U.S. Dollars (an exception is our early childcare learning business, for which revenue is denominated in Singapore dollars). However, as we have operations in foreign countries, primarily in the U.K. and Europe, a stronger U.S. Dollar could make our products and services more expensive in foreign countries and therefore reduce demand. A weaker U.S. Dollar could have the opposite effect. Such exposure to currency fluctuations is difficult to measure or predict because our sales are also influenced by many other factors.

For the year ended December 31, 2023, sales denominated in foreign currencies were approximately 29% of total revenue. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. These foreign currencies primarily consist of the Pound sterling, Euro and Chinese Yuan. For the twelve months ended December 31, 2023, a hypothetical 10% change in these foreign currencies would have increased or decreased our revenue by approximately $12.1 million. Actual gains and losses in the future may differ materially from the hypothetical gains and losses discussed above based on changes in the timing and amount of foreign currency exchange rate movements.

The majority of our costs incurred are denominated in US dollars. This includes payments to all of our key inventory suppliers, as well as people costs associated with having our executive officers and the majority of our most senior employees based in the US. Accordingly, our costs are less susceptible to foreign exchange rate risks than our revenue.

Effects of Inflation

Given that we operate in a number of countries across the world, some or all of our operations could at times be adversely affected by inflation both in the markets in which we directly operate, and more broadly as a result of macro-economic changes in inflation. While the quantitative impact of potential future inflation is very difficult to measure, we do not believe the Company is more susceptible to the negative impacts of inflation than other similar market participants. Accordingly, we have not historically viewed the effects of inflation as a material risk to the business, although there can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS Holders May Have to Pay

Citibank, N.A. is our depositary. The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors
or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

An ADS holder will be required to pay the following fees under the terms of the deposit agreement:

Services	Fees
Issuance of ADSs upon deposit of shares (excluding issuances as a result of distributions of shares)	• Up to US$0.05 per ADS issued
Cancellation of ADSs	• Up to US$0.05 per ADS cancelled
Distribution of cash dividends or other cash distributions (e.g., sale of rights and other entitlements)	• Up to US$0.05 per ADS held
Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	• Up to US$0.05 per ADS held
Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., spin-off shares)	• Up to US$0.05 per ADS held on the applicable record date

Fees and Other Payments Made by the Depositary to Us

The depositary may reimburse us for expenses we incur that are related to the establishment and maintenance of the ADR program, by making available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary may agree from time to time. For the year ended December 31, 2023, we did not receive reimbursement from the depositary.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

A. Defaults

None.

B. Arrears and Delinquencies

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On September 11, 2023, we held an Extraordinary General Meeting where our shareholders approved through a special resolution, the sixth amended and restated memorandum and article of association of the Company ("A&R MAA"). The A&R MAA, which became effective upon the Merger, provided that the authorized share capital of the Company be varied as follows: (a) the authorized share capital of the Company shall be varied to $1,000,000 divided into 1,000,000,000 shares comprising of (i) 990,000,000 ordinary shares of a par value of $0.001 each and (ii) 10,000,000 shares of a par value of $0.001 each of such class or classes (however designated) as the board of directors may determine in accordance with the A&R MAA, and (b) all Class A ordinary shares of the Company prior to the adoption of the A&R MAA, par value $0.001 per share and all Class B ordinary shares of the Company prior to the adoption of the A&R MAA, par value $0.001 per share in the authorized share capital of the Company (including all issued and outstanding Class A Ordinary Shares and Class B Ordinary Shares, and all authorized but unissued Class A Ordinary Shares and Class B Ordinary Shares) shall be re-designated as Ordinary Shares. For a full description of our Ordinary Shares, please see Exhibit 2.6 filed hereto.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2023. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives of ensuring that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures, and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. There is no assurance that our disclosure controls and procedures will operate effectively under all circumstances.

We have identified the following material weaknesses in our internal control over financial reporting:

- We did not design or maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we lacked a sufficient number of resources with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately. Additionally, the limited personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in our finance and accounting functions.

- We did not adequately design and maintain an effective risk assessment process at a sufficient precision level to identify new and evolving risks of material misstatement in our financial statements. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting.

- We did not design and implement control activities that address relevant risks, retain sufficient evidence of the performance of control activities, or design control activities at the level of precision required to identify potential material errors, across all significant accounts.

These material weaknesses contributed to the following additional material weaknesses:

- We did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures.

- We did not design and maintain effective controls related to the period-end reporting process, including controls over the business performance reviews, account reconciliations, journal entries, and maintaining appropriate segregation of duties.

- We did not adequately design and maintain effective controls over the identification of and accounting for certain non-routine, complex, unusual events or transactions.

- We did not design and maintain effective information technology, or IT, general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain: (1) program change management controls to ensure that program and data changes are identified, tested, authorized, and implemented appropriately; (2) user access controls to ensure appropriate segregation of duties that adequately restrict user and privileged access to appropriate personnel; (3) computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored; and (4) program development controls to ensure that new software development is tested, authorized and implemented appropriately. These IT deficiencies did not result in any misstatements to the financial statements.

These material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Because of material weaknesses in our internal control over financial reporting as previously disclosed, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2023, our disclosure controls and procedures were not effective at the reasonable assurance level. Our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that, notwithstanding the material weaknesses in our internal control over financial reporting, the consolidated financial statements in this Annual Report on Form 20-F fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

As discussed below, we are taking steps to remediate these material weaknesses in internal control over financial reporting; however, we are not yet able to determine whether the steps we are taking will fully remediate these material weaknesses.

Remediation

We are in the very early stages of designing and implementing our remediation plan to remediate these material weaknesses. Those remediation measures are ongoing and include the following:

- We have hired, and plan to continue to hire, accounting and IT personnel with the requisite skills and expertise to bolster our technical reporting, transactional accounting and IT capabilities. We are designing and implementing controls to formalize roles and review responsibilities to align with our team's skills and experience and implement formal controls over segregation of duties.

- We added finance personnel to the organization, including a Chief Financial Officer and a Chief Accounting Officer to strengthen our internal accounting team, to provide oversight, structure and reporting lines, and to provide additional review over our disclosures.

- We are designing and implementing procedures and controls to identify and evaluate changes in our business and technology and their impact on our controls.

- We are designing and implementing procedures and controls to identify and account for non-routine, complex and unusual events or transactions and other technical accounting and financial reporting matters including controls over the preparation and review of accounting memoranda addressing these matters.

- We are enhancing formal processes, policies, procedures and controls supporting our financial close process, including creating standard balance sheet reconciliation templates, establishing and reviewing thresholds for business performance reviews, and formalizing procedures over the review of financial statements and journal entries.

- We are designing and implementing IT governance processes, including automating components of our change management, where applicable, and logical access processes; enhancing role-based access and logging capabilities; implementing automated controls and more robust IT policies and procedures over change management, computer operations and program development. Also, we are designing and implementing periodic internal evaluations of IT controls.

We are working to remediate the material weaknesses as efficiently and effectively as possible and expect full remediation could potentially go beyond December 31, 2024. At this time, we cannot provide an estimate of costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time-consuming, will result in our incurring significant costs and will place significant demands on our financial and operational resources.

While we believe these efforts will remediate the material weaknesses identified, we may not be able to complete our evaluation, testing or any required remediation in a timely fashion. We cannot assure you that the measures we have taken to date and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses.

If we fail to remediate these material weaknesses or identify new material weaknesses, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and forms of the SEC, could be adversely affected which, in turn, may adversely affect our reputation and business. In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of our securities and harm to our reputation and financial condition, or diversion of financial and management resources from the operation of our business.

B. Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). Based on its assessment, our management, including our CEO and CFO, has concluded that our internal control over financial reporting was not effective as of December 31, 2023 due to material weaknesses in our internal control over financial reporting, as discussed above in "*Item 15A Disclosure Controls and Procedures*." A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

C. Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. As a non-accelerated filer, as defined under Rule 12b-2 of the Exchange Act, we are not subject to the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act (and the SEC rules and regulations thereunder). When these requirements begin to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them.

D. Changes in Internal Control Over Financial Reporting

We are taking actions to remediate the material weaknesses relating to our internal controls over financial reporting, as described in Item 15A Disclosure Controls and Procedures. Except as otherwise described herein, there was no change in our internal control over financial reporting that occurred during the period covered by this Annual Report on Form 20-F that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE AND FINANCIAL EXPERT

Our board of directors has determined that Ms. Denise Merle, an independent director as defined in Rule 10A-3 of the Securities Exchange Act of 1934 and a member of our audit committee, qualifies as an "audit committee financial expert" as defined in Item 16A of Form 20-F.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of business conduct that applies to all of our directors, executive officers and employees. The code of business conduct is available on our official website under the corporate governance section at www.mynd.ai. The information on our website is not intended to form a part of or be incorporated by reference into this Annual Report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our independent registered public accounting firm, Deloitte & Touche LLP and Deloitte LLP and its associated entities, for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	For the Year Ended December 31,	
	2023	2022
	(in thousands of US$)	
Audit fees[(1)]	$ 1,917	$ 4,980
Audit-related fees[(2)]	—	—
Tax fees [(3)]	—	—
All other fees[(4)]	—	—
	$ 1,917	**$ 4,980**

(1) "Audit fees" means the aggregate fees billed for professional services rendered by our principal auditors for the audit of our annual consolidated financial statements and the review of documents filed with the SEC.
(2) "Audit-related fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors that are reasonably related to the performance of the audit or review of our financial statements and not reported under "Audit fees.
(3) "Tax fees" means the aggregate fees billed in each of the fiscal years listed for tax compliance, tax advice, and tax planning.
(4) All "other fees" means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors associated with certain financial due diligence services and other advisory services.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by Deloitte & Touche LLP, our independent registered public accounting firm, including audit services and tax services as described above.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

On January 5, 2023, we engaged Marcum Asia CPAs LLP ("Marcum Asia") as our independent registered public accounting firm, to replace Friedman LLP ("Friedman"). The change of independent registered public accounting firm was approved by the audit committee of the board of directors and the board of directors of the Company on January 5, 2023. Accordingly, Marcum Asia was engaged to audit and report on our consolidated financial statements as of and for the year ended December 31, 2022.

During the fiscal year December 31, 2021 and 2022 and the subsequent interim period through January 5, 2023, there have been no (i) disagreements between us and Friedman on any matter of accounting principles or practices, financial statement disclosure, or audit scope or procedure, which disagreements if not resolved to the satisfaction of Friedman would have caused Friedman to make reference thereto in their reports on the consolidated financial statements for such years, or (ii) reportable events as defined in Item 16F(a)(1)(v) of the instructions to Form 20-F.

We have provided Friedman with a copy of the disclosures hereunder and required under Item 16F of Form 20-F and requested from Friedman a letter addressed to the SEC indicating whether it agrees with such disclosures. A copy of Friedman's letter dated April 28, 2023 is hereby incorporated by reference as Exhibit 15.1 to this annual report on Form 20-F.

During the fiscal years ended December 31, 2021 and 2022 and in the subsequent interim period prior to our engagement of Marcum Asia, neither we nor anyone on behalf of us has consulted with Marcum Asia regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Marcum Asia concluded was an important factor considered by us in reaching a decision as to any accounting, audit, or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of the instructions to Form 20-F, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

On December 13, 2023, the Audit Committee of the Company Board approved the appointment of Deloitte Touche Limited ("Deloitte") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ended December 31, 2023. Deloitte served as the independent registered public accounting firm of eLMTree prior to the Merger. Accordingly, Marcum Asia, the independent registered public accounting firm of GEHI (the name of the Company prior to the Merger), was informed that it would be replaced by Deloitte as the Company's independent registered public accounting firm following the closing of the Merger on December 13, 2023 and Deloitte was engaged to audit and report on our consolidated financial statements as of and for the year ended December 31, 2023.

The report of Marcum Asia on GEHI's financial statements for the year ended December 31, 2022 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainties, audit scope or accounting principles.

During the fiscal year ended December 31, 2022 and in the subsequent interim period prior to our engagement of Deloitte, there were no: (1) disagreements with Marcum Asia on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused Marcum Asia to make reference in connection with their opinion to the subject

matter of the disagreement, or (2) "reportable events" requiring disclosure pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F in connection with our annual report on Form 20-F, except that there was a material weakness identified related to the lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and SEC reporting requirements to prepare and review the consolidated financial statements and related disclosures to fulfill U.S. GAAP and SEC financial reporting requirements.

We have provided Marcum Asia with a copy of the disclosures hereunder and required under Item 16F of Form 20-F and requested from Marcum Asia a letter addressed to the SEC indicating whether it agrees with such disclosures. A copy of Marcum Asia's letter dated March 26, 2024 is attached as Exhibit 15.2.

During the fiscal year ended December 31, 2022 and 2021 and in the subsequent interim period prior to our engagement of Deloitte, neither we nor anyone on behalf of us has consulted with Deloitte regarding (i) the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by us in reaching a decision as to any accounting, audit, or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of the instructions to Form 20-F, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of the instructions to Form 20-F.

ITEM 16G. CORPORATE GOVERNANCE

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions of the securities rules and regulations that are applicable to U.S. domestic issuers. Moreover, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. In addition, as a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the New York Stock Exchange corporate governance standards. While we voluntarily follow most NYSE corporate governance standards, we do not intend to follow the NYSE rules below:

The NYSE Listed Company Manual requires an annual meeting of shareholders to be held no later than one year after the end of the fiscal year. In this regard, we have elected to adopt the practices of our home country, the Cayman Islands, which practices do not require an annual meeting of shareholders to be held annually. Accordingly, we presently do not intend to hold an annual meeting of shareholders in 2024. We may, however, hold annual meetings of shareholders in the future.

In addition, the NYSE Listed Company Manual requires shareholder approval for certain matters, such as requiring that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans, which is not required under the Cayman Islands law. We intend to comply with the requirements of Cayman Islands law only in determining whether shareholder approval is required.

The NYSE Listed Company Manual also requires that with respect to the Nominating Committee, such committee be comprised solely of independent directors or by a majority of the independent directors. With respect to this requirement, we have elected to adopt the practices of our home country, the Cayman Islands, which does not require our Nominating Committee to be comprised solely of or by a majority of independent directors. Notwithstanding the foregoing, under the charter which has been adopted for our Nominating and Corporate Governance Committee, they will make recommendations to our board of directors of the nominees for director and our board, comprised of a majority of independent directors, will evaluate such nominees for proposal to our shareholders for appointment.

See "Item 3. Key Information—D. Risk Factors—Risks Related to the ADSs—We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies" and "—As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the NYSE corporate governance standards; these practices may afford less protection to shareholders than they would enjoy if we comply fully with the NYSE corporate governance standards."

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted an insider trading policy that contains procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. Such policy is filed hereto as Exhibit 11.1 to this Annual Report.

ITEM 16K. CYBERSECURITY

Risk management and strategy.

We recognize the critical importance of developing, implementing, and maintaining appropriate cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data. Accordingly, we engage in continuous and ongoing efforts to safeguard our information systems and protect the confidentiality, integrity and availability of our data.

Managing Material Risks and Integrating Cybersecurity Risk with Overall Risk Management

We maintain cybersecurity policies and procedures that are designed to identify, protect from, detect, respond to, and recover from cybersecurity threats and risks, and protect the confidentiality, integrity, and availability of our information systems, including the personal information residing on such systems. We take a risk-based approach to cybersecurity, which begins with the identification and evaluation of cybersecurity risks or threats that could affect our operations, our legal or regulatory compliance obligations, our reputation or our finances. Cybersecurity risks are identified, and risk mitigation strategies are developed and implemented, based on the specific nature of the identified cybersecurity risks and our determination as to the potential threat of the identified risks. These strategies include, among others, software updates and changes, bug fixes, the application of our cybersecurity policies and procedures, implementation of administrative, technical, and physical data security controls, and employee training, education, and awareness initiatives.

Our cybersecurity policies and procedures have been implemented to mitigate cybersecurity risk and our efforts to mitigate cybersecurity risks are a component of our broader risk management efforts.

Engagement of Third-Parties For Cybersecurity Risk Management Support

From time to time, we engage cybersecurity consultants, auditors, and other third parties to assess and enhance our cybersecurity practices. These third parties conduct assessments, penetration testing, and vulnerability assessments to help us identify weaknesses and, in some cases, to recommend improvements. Additionally, we use certain third-party tools and technologies as part of our efforts to enhance cybersecurity functions including vulnerability scanning tools, key management services, data encryption and continuous monitoring, detection, and response capabilities.

Oversight of Third-Party Service Providers

Given the importance of cybersecurity, we evaluate third-party service providers that either provide or support our information systems from a cybersecurity risk perspective. We endeavor to assess service-provider risks based upon the services each such third-party service provider may provide and the potential threat impact of each such service provider’s services. Our risk evaluations are used to inform our third-party service provider cybersecurity risk assessments and our assessments may include review of appropriate reports or certifications relating to the

service provider's security controls and practices or review of the service provider's physical and technical security measures, practices and procedures.

Risks from Cybersecurity Threats

To date, we have not identified any cybersecurity threats that have materially affected, or are reasonably anticipated to have a material effect on, our operations or financial condition.

Governance

Board Oversight

The Board is responsible for overseeing management's assessments of major risks and for reviewing the strategies, practices and procedures to mitigate such risks. The Board's oversight of major risks, including cybersecurity risks, occurs at both the full Board level and at the Board committee level through the Audit Committee.

The Board. At regularly scheduled Board meetings, the Chief Executive Officer, Chief Financial Officer, the Executive Vice President and General Counsel, members of senior management, and other personnel and advisors, as requested by the Board, may report on the Company's financial, operating, and commercial strategies, as well as major potential risks including but not limited to cybersecurity risks. Based on these reports, the Board may request follow-up information, data or presentations to address any specific concerns and recommendations. Additionally, the Audit Committee has opportunities to report regularly to the entire Board, and to review with the Board, any major issues that arise at the Audit Committee level, which may include issues relating to cybersecurity risks.

The Audit Committee. The Audit Committee will review with management the Company's risk management practices including but not limited to our cybersecurity strategies, policies, procedures and practices. The Chief Executive Officer, Chief Financial Officer, Executive Vice President and General Counsel, members of senior management, and other personnel and advisors, as requested by the Audit Committee, may provide periodic reports to the Audit Committee with regards to the Company's risk management practices, personal data privacy practices and cybersecurity practices and procedures.

Management's Role Managing Risk From Cybersecurity Threats

Our management team plays a critical role in our risk management activities including our cybersecurity risk management activities. Multiple employees perform duties relating to personal data privacy, data security or cybersecurity. Multiple employees are actively involved in assessing and managing personal data privacy and cybersecurity risks. These employees have the necessary education and certifications, relevant previous work experience, and training, including ongoing training on current and emerging cybersecurity risks, to perform their assigned duties in these areas. Collectively, these employees work with our management team to implement cybersecurity policies, programs, procedures, and strategies to mitigate such risks.

Our management team engages in a range of cybersecurity risk mitigation activities including, for example, the adoption and implementation of policies and procedures to identify threats, deployment of security architectures, and planning for any data security incident response. Our management team has instructed other team members to conduct vulnerability scans and penetration testing to identify, classify, prioritize, remediate, and mitigate vulnerabilities. In addition, our management team meets with team members regularly to, among other things, endeavor to identify cybersecurity threats and to provide guidance as to strategy.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

AUDITED CONSOLIDATED FINANCIAL INFORMATION OF Mynd.ai

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Mynd.ai, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mynd.ai, Inc. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive (loss) income, changes in shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of a Matter

As described in Note 3 to the financial statements, on December 13, 2023, NetDragon Websoft Holdings Limited (“NetDragon”) and Gravitas Education Holdings, Inc. (“GEHI”) completed a series of transactions ("the Merger") that resulted in (i) GEHI divesting of its business in China, (ii) NetDragon transferring its education businesses outside of China to eLMTree Inc. (“eLMTree”), (iii) eLMTree becoming a wholly owned subsidiary of GEHI, and (iv) GEHI changing its name to “Mynd.ai, Inc.” The Merger was accounted for in accordance with ASC 805, *Business Combinations*, and while GEHI is the legal acquirer, the transaction has been accounted for as a reverse acquisition with eLMTree identified as the acquirer for accounting purposes. Our opinion is not modified with respect to this matter.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for Convertible Note— *Refer to Note 2 and Note 14*
Critical Audit Matter Description

In connection with the Merger, the Company issued $65 million aggregate principal amount of convertible senior notes (the “Convertible Note"). Certain features of the Convertible Note, including the conversion option, optional redemption at holder’s option upon a make whole fundamental change, and acceleration upon an event of default, require bifurcation and separate accounting as a single embedded derivative (the “Embedded Derivative”) from the Convertible Note pursuant to ASC 815, Derivatives and Hedging. The Embedded Derivative was measured at fair value using a Monte Carlo simulation model, requiring Level 3 inputs under the fair value measurement hierarchy, including expected volatility, risk-free interest rate and credit risk adjusted rate, on the date of issuance (December 13, 2023), and its fair value is again remeasured at each reporting date. At the date of issuance, the Embedded Derivative was valued and recorded as a derivative liability in the amount of $14,740, resulting in the Convertible Note being issued at a discount in the same amount, which will be amortized to interest expense using the effective interest method, and any changes in the fair value at each balance sheet date recorded as other income (expense) in the consolidated statements of operations.

We identified the accounting for the Convertible Note and related valuation of the Embedded Derivative as a critical audit matter because of the complexity in identifying and accounting for features requiring bifurcation as an embedded derivative, as well as the initial valuation of the Embedded Derivative. The auditing of the Convertible Note and valuation of the Embedded Derivative required a high degree of auditor judgement, including evaluating the reasonableness of the significant judgements made by management in determining the need to bifurcate certain features included in the terms of the Convertible Note, as well as the inputs used in the valuation of the Embedded Derivative.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the accounting of the Convertible Note included the following among others:

- Obtained and read the Senior Secured Convertible Note Purchase Agreement as well as the Convertible Promissory Note to understand the various features associated with the Convertible Note.
- With the assistance of our national office specialists, we evaluated the appropriateness of the accounting conclusions associated with Convertible Note.
- We evaluated the appropriateness of the accounting conclusions reached by management in accounting for the Convertible Note, as well as the identification and bifurcation of the related Embedded Derivative.
- We evaluated the competency and objectivity of management's expert engaged by the Company to assist in the accounting analysis of the Convertible Note and valuation of the Embedded Derivative.
- With the assistance of our fair value specialists, we evaluated the reasonableness of management's valuation methodology and the significant assumptions used in determining the fair value of the embedded derivative by:
    - Testing the source information underlying the embedded derivative and the mathematical accuracy of the fair value calculation.
    - Testing the inputs used in the valuation.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington

March 26, 2024

We have served as the Company's auditor since 2022.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of eLMTree (the Consolidated and Combined Overseas Education business of NetDragon Websoft Holdings Limited)

Opinion on the Financial Statements

We have audited the accompanying consolidated and combined statements of operations, comprehensive (loss)income, changes in parent company net investment, and cash flows of eLMTree and subsidiaries (the "Company") for the year ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of a Matter

As described in Note 2 to the financial statements, the accompanying financial statements have been derived from the separate records maintained by NetDragon Websoft Holdings Limited ("NetDragon"). The financial statements also include expense allocations for certain corporate functions historically provided by NetDragon. These allocations may not be reflective of the actual expenses that would have been incurred had the Company operated as a separate entity apart from NetDragon. A summary of transactions with related parties is included in Note 13 to the financial statements.

/s/ DELOITTE LLP

London, United Kingdom

July 31, 2023 (March 26, 2024 as to the effects of the reverse acquisition described in Note 2)

We began serving as the Company's auditor in 2022. In 2023 we became the predecessor auditor.

Mynd.ai. Inc.
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

	December 31,	
	2023	**2022**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 91,784	$ 29,312
Accounts receivable, net of allowance for credit losses of $2,599 and $2,970	63,865	61,061
Inventories	53,098	111,227
Prepaid expenses and other current assets	14,666	8,977
Due from related parties	2,759	2,093
Loan receivable, related party	—	7,919
Prepaid subscriptions	—	7,300
Current assets of discontinued operations	—	5
Total current assets	226,172	227,894
Non-current assets:		
Goodwill	46,924	42,048
Property, plant, and equipment, net	11,878	2,998
Intangible assets, net	51,450	47,997
Right-of-use assets	7,491	3,110
Deferred tax assets, net	56,381	44,627
Other non-current assets	4,094	107
Total non-current assets	178,218	140,887
Total assets	**$ 404,390**	**$ 368,781**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 59,595	$ 81,471
Accrued expenses and other current liabilities	45,389	47,085
Loans payable, current	31,942	48,030
Contract liabilities	14,110	10,148
Accrued warranties	17,871	13,550
Lease liabilities, current	4,412	1,788
Due to related parties	5,080	3,978
Current liabilities of discontinued operations	163	597
Total current liabilities	178,562	206,647
Non-current liabilities:		
Loans payable, non-current (Note 13 & 14)	64,859	276
Loans payable, related parties, non-current	4,670	4,445
Contract liabilities, non-current	21,762	17,692
Lease liabilities, non-current	3,412	1,634
Other non-current liabilities	4,250	1,076
Deferred tax liabilities	1,317	—
Total non-current liabilities	100,270	25,123
Total liabilities	$ 278,832	$ 231,770
Commitments and contingencies (Note 15)		
Shareholders' equity:		
Ordinary shares par value of $0.001; 990,000,000 shares authorized, 456,477,820 and 426,422,220 shares issued and outstanding, respectively. 10,000,000 shares, $0.001 par value, without designation.	456	426
Additional paid-in capital	473,590	448,065
Accumulated other comprehensive income (loss)	3,513	4,546
Accumulated deficit	(353,890)	(316,026)
Total Mynd.ai, Inc. shareholders' equity	123,669	137,011
Non-controlling interest	1,889	—
Total shareholders' equity	125,558	137,011
Total liabilities and shareholders' equity	**$ 404,390**	**$ 368,781**

See accompanying notes to the consolidated financial statements.

Mynd.ai. Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Revenue	$ 413,564	$ 584,684	$ 448,193
Cost of sales	310,423	440,769	309,223
Gross profit	103,141	143,915	138,970
Operating expenses:			
General and administrative	31,319	34,608	31,299
Research and development	34,604	41,459	35,591
Sales and marketing	51,488	60,848	60,545
Acquisition-related costs	19,288	502	—
Restructuring	10,195	238	469
Total operating expenses	146,894	137,655	127,904
Operating (loss) income	(43,753)	6,260	11,066
Other income (expense):			
Interest expense	(4,661)	(1,833)	(173)
Gain on forgiveness of debt	—	4,923	—
Other income (expense)	2,250	597	(2,248)
Total other (expense) income	(2,411)	3,687	(2,421)
Net (loss) income from continuing operations, before income taxes	**(46,164)**	**9,947**	**8,645**
Income tax benefit (expense)	9,156	25,275	(1,787)
Net (loss) income from continuing operations	(37,008)	35,222	6,858
Loss from discontinued operations, net of tax	(823)	(12,637)	(7,960)
Net (loss) income	**$ (37,831)**	**$ 22,585**	**$ (1,102)**
Net income (loss) from continuing operations attributable to non-controlling interest	33	—	—
Net (loss) income attributable to ordinary shareholders of Mynd.ai, Inc. from continuing operations	(37,041)	35,222	6,858
Net (loss) income attributable to ordinary shareholders of Mynd.ai, Inc.	(37,864)	22,585	(1,102)
Net (loss) income per ordinary share			
Net (loss) income per share attributable to ordinary shareholders of Mynd.ai, Inc. from continuing operations			
Basic and Diluted	(0.09)	0.08	0.02
Net (loss) per share attributable to ordinary shareholders of Mynd.ai, Inc. from discontinued operations			
Basic and Diluted	—	(0.03)	(0.02)
Net (loss) income per share attributable to ordinary shareholders of Mynd.ai, Inc.			
Basic and Diluted	(0.09)	0.05	—
Weighted average shares outstanding used in calculating net (loss) income per share			
Basic and diluted	**427,986,755**	**426,422,220**	**426,422,220**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(in thousands)

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Net (loss) income	$ (37,831)	$ 22,585	$ (1,102)
Other comprehensive (loss) income, net of tax of nil:			
Change in foreign currency translation adjustments	(1,033)	(3,367)	(755)
Total comprehensive (loss) income	**$ (38,864)**	**$ 19,218**	**$ (1,857)**
Less: comprehensive income attributable to non-controlling interest	33	—	—
Comprehensive (loss)/income attributable to Mynd.ai Inc.	**$ (38,897)**	**$ 19,218**	**$ (1,857)**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in thousands, except for share and per share data)

	Common Stock Shares	Amount	APIC	AOCI	Accumulated Deficit	Total Mynd.ai Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
Balance as of January 1, 2021	**426,422,220**	**$ 426**	**$ 361,621**	**$ 8,668**	**$ (337,509)**	**$ 33,206**	**$ —**	**$ 33,206**
Net Income (loss)					(1,102)	(1,102)		(1,102)
Foreign currency translation				(755)		(755)		(755)
Contributions from Controlling Shareholder			85,888			85,888		85,888
Balance as of December 31, 2021	**426,422,220**	**426**	**447,509**	**7,913**	**(338,611)**	**117,237**	**—**	**117,237**
Net Income (loss)					22,585	22,585		22,585
Foreign currency translation				(3,367)		(3,367)		(3,367)
Contributions from Controlling Shareholder			556			556		556
Balance as of December 31, 2022	**426,422,220**	**426**	**448,065**	**4,546**	**(316,026)**	**137,011**	**—**	**137,011**
Net Income (loss)					(37,864)	(37,864)	33	(37,831)
Foreign currency translation				(1,033)		(1,033)		(1,033)
Contributions from Controlling Shareholder			2,707			2,707		2,707
Acquisition of business	30,055,603	30	22,818			22,848	1,856	24,704
Balance as of December 31, 2023	**456,477,823**	**$ 456**	**$ 473,590**	**$ 3,513**	**$ (353,890)**	**$ 123,669**	**$ 1,889**	**$ 125,558**

See accompanying notes to the consolidated financial statements.

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Mynd.ai. Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the Year Ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (37,831)	$ 22,585	$ (1,102)
Loss from discontinued operations, net of tax	823	12,637	7,960
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	5,124	4,520	6,116
Deferred taxes	(10,307)	(25,275)	(3,505)
Non-cash lease expense	1,958	1,818	1,867
Non-cash interest expenses	325	—	—
Gain on forgiveness of debt	—	(4,923)	—
Amortization of RDEC credit	(839)	(460)	(134)
Accrued tax credit RDEC	(1,732)	—	—
Change in fair value of derivative liability	(432)	—	—
Write-off of Inventory	4,630	3,951	—
Write-off of prepaid subscriptions	5,668	—	—
Change in fair value of earn out liabilities	64	—	—
Impairment of right-of-use assets	—	—	1,553
Loss on disposal of property, plant and equipment	8	30	94
Change in operating assets and liabilities:			
Accounts receivable	1,361	25,346	(46,249)
Inventories	54,615	(20,237)	(57,393)
Prepaid expenses and other assets	(5,115)	701	(5,015)
Prepaid subscriptions	1,632	(7,300)	—
Due from related parties	(531)	(4,376)	1,034
Accounts payable	(23,201)	(1,820)	54,786
Accrued expenses and other liabilities	(4,564)	(12,820)	21,943
Accrued warranties	3,883	3,266	2,735
Due to related parties	1,102	3,469	509
Contract liabilities	4,713	7,779	3,430
Lease obligations - operating leases	(2,327)	(2,084)	(2,111)
Net cash (used in) provided by operating activities - continuing operations	(973)	6,807	(13,482)
Net cash used in operating activities - discontinued operations	(1,252)	(12,079)	(8,422)
Net cash (used in) provided by operating activities	(2,225)	(5,272)	(21,904)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment	(389)	(829)	(1,194)
Internal-use software development costs	(4,434)	(1,028)	—
Repayment (issuance) of loan receivable, related party	8,019	(7,919)	—
Acquisition of businesses, net of cash	16,138	(6,000)	—
Net cash provided by (used in) investing activities - continuing operations	19,334	(15,776)	(1,194)
Net cash used in investing activities - discontinued operations	—	—	—
Net cash provided by (used in) investing activities	19,334	(15,776)	(1,194)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of Revolver	(80,300)	(49,305)	—
Proceeds from Revolver	62,000	63,000	34,000
Proceeds from convertible note	64,884	—	—
Contingent consideration payments	(2,174)	—	—
Repayment of Paycheck Protection Program Loan	(192)	(5)	—
Repayment of NetDragon group loans	—	(3,210)	(33,320)
Proceeds from NetDragon group loans	219	869	24,781
Net cash provided by financing activities - continuing operations	44,437	11,349	25,461
Net cash provided by financing activities - discontinued operations	—	—	—
Net cash provided by financing activities	44,437	11,349	25,461
Net change in cash	61,546	(9,699)	2,363
Cash and cash equivalents, beginning of year	29,312	40,508	37,817
Exchange rate effects	926	(1,497)	328
Cash and cash equivalents, end of year	**$ 91,784**	**$ 29,312**	**$ 40,508**
Supplemental disclosure of non-cash investing and financing activities transactions:			
Non-cash repayment of NetDragon group loans	$ —	$ —	$ 23,970
Accrued purchase price related to acquisition of businesses	$ —	$ 1,688	$ —
Accrued value of earnout related to acquisition of businesses	$ —	$ 377	$ —
Noncash consideration transferred for acquisition of businesses	$ 22,848	$ —	$ —
Supplemental disclosure of cash transactions:			
Cash paid for interest	$ 5,223	$ —	$ —
Cash paid for taxes, net of refunds	$ 914	$ 969	$ 6,419

See accompanying notes to the consolidated financial statements.

Mynd.ai. Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Note 1. Organization

Mynd.ai, Inc. ("the Company"), a Cayman Islands company, provides global, end-to-end, learning solutions and collaboration tools to help teachers, schools, students, and professionals realize their greatest potential. The Company's global headquarters is in Seattle, Washington, U.S., and it conducts its business through its various subsidiaries throughout the world, with operations principally focused in the U.S., Europe, and the U.K.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and follow the requirements of the Securities and Exchange Commission (the "SEC") for annual reporting for a foreign private issuer.

On December 13, 2023, NetDragon Websoft Holdings Limited ("NetDragon") and Gravitas Education Holdings, Inc. ("GEHI") completed a series of transactions ("the Merger") that resulted in (i) GEHI divesting its business in China, (ii) NetDragon transferring its education businesses outside of China to eLMTree Inc. ("eLMTree"), (iii) eLMTree becoming a wholly owned subsidiary of GEHI, and (iv) GEHI changing its name to "Mynd.ai, Inc." The Merger was accounted for as a business combination in accordance with ASC 805, Business Combinations. While GEHI was the legal acquirer of eLMTree, the transaction has been accounted for as a reverse acquisition, and consequently, eLMTree was identified as the acquirer for accounting purposes. The financial statements of the Company prior to closing of the Merger reflect the consolidated and combined financial statements of eLMTree. See "*Note 3 Business Combinations*." These consolidated and combined financial statements were derived from the separate records maintained by NetDragon, who continues to be a controlling shareholder of the Company (the "Controlling Shareholder"). The financial statements include estimated expense allocations for certain corporate functions historically provided by NetDragon. These allocations may not be reflective of the actual expenses that would have been incurred had the Company operated as a separate entity apart from NetDragon.

As a result of the reverse acquisition, all shares and per share amounts for all periods presented in the accompanying financial statements and notes thereto have been adjusted retroactively. The Company calculated basic earnings (loss) per share for each comparative period prior to the acquisition date by dividing net income (loss) of the accounting acquirer attributable to common shareholders by the accounting acquirer's historical weighted-average number of common shares outstanding. The Company calculated the weighted-average number of common shares outstanding (the denominator of the EPS calculation), including the equity interests issued by the legal acquirer to effect the reverse acquisition, as the number of common shares outstanding from the beginning of that period to the acquisition date computed on the basis of the weighted-average number of common shares of the accounting acquirer outstanding during the period multiplied by an exchange ratio derived from the shares exchanged at the Merger date.

The Company represents the consolidated operations of eLMTree Inc. and subsidiaries and Global Eduhub Holdings Limited and subsidiaries ("GEH Singapore"). The eLMTree segment consists of a number of legal entities, including Promethean World Limited and its consolidated subsidiaries ("Promethean") and Edmodo, LLC ("Edmodo"). The GEH Singapore segment represents Singapore-based kindergarten and student care services that have historically been reported as part of GEHI prior to the Merger.

On September 22, 2022, eLMTree abandoned the operations of the North America geographic region of the Edmodo business. In applying FASB ASC 205-20 *Presentation of Financial Statements – Discontinued Operations* and ASC 360 *Property, Plant, and Equipment*, the Company determined the abandonment qualified for discontinued operations presentation and as such, the consolidated financial statement have been retroactively adjusted, where applicable, to give effect to the discontinued operations for all periods presented. See "*Note 17 Discontinued Operations.*"

Mynd.ai. Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Basis of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and its partially owned subsidiaries and non-controlling interests. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Important estimates and assumptions relate to revenue recognition, impairment of obsolete and slow-moving inventories, valuation of assets acquired and liabilities assumed in business combinations, evaluation of finite-lived tangible and intangible assets, goodwill and indefinite-lived intangible assets for impairment, valuation of embedded derivatives, and valuation allowance for deferred tax assets. These estimates and judgments are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Reclassifications

The Company has made reclassifications to certain previously reported financial information to conform to the current period presentation, including further disaggregation to the accrued expenses and revenue footnotes, and reclassifying acquisition-related costs and restructuring costs from general and administrative expenses to separate lines on the statement of operations. The Company has reflected these changes in all historical periods presented and these updates have no impact on the presentation in the consolidated balance sheets, consolidated statements of operations, or consolidated statements of cash flows.

Liquidity and Capital Resources

As of December 31, 2023, the Company had $91,784 in cash and cash equivalents and net working capital of $47,610. The Company had net cash outflows from continuing operations in 2023 of $973 and net cash outflows of $2,225 after considering discontinued operations. While the Company has at times funded its activities primarily through cash flows from financing activities with the Controlling Shareholder, the Company has in place a revolver with Bank of America and has issued a convertible note (see Note 14 Debt). This revolver has a committed line limit of $74,000 until March 31, 2024, and $50,000 thereafter through its maturity in January 2028. The convertible note is in the principal amount of $65,000, and does not mature until December 13, 2028, unless earlier redeemed, repurchased or converted. Given these facts and circumstances, the Company has determined that it is reasonably expected to have adequate financial resources to continue as a going concern for at least the twelve-month period following issuance of these financial statements.

Non-controlling Interests

Non-controlling interests ("NCI") on the consolidated balance sheets include third-party investments in entities that the Company consolidates, but does not wholly own. NCI are classified as part of equity, and the amount of net income (loss), other comprehensive income (loss), and any other equity transactions are allocated to the NCI in accordance with their applicable ownership percentages. NCI recognized as a result of a business combination are measured initially at fair value, which represents the NCI's proportionate share of the acquired identifiable net assets.

(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand with financial institutions. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2023, and 2022, respectively, the Company had no cash equivalents.

Concentration of Credit Risk

Credit risk represents the risk that the Company would incur a loss if counterparties failed to perform pursuant to the terms of their agreements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash balances with financial institutions in federally insured accounts and for certain institutions has cash balances in excess of the insurance limits. These deposits and funds may be redeemed upon demand and the Company does not anticipate any losses on such balances. The Company has not experienced any losses to date and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount and do not bear interest.

The allowance for credit losses is management's best estimate of the credit losses in existing accounts receivable. The Company monitors the financial performance, historical and expected collection patterns, and creditworthiness of its customers so that management can properly assess and respond to changes in their credit profile. The Company also monitors domestic and international economic conditions for the potential future effect on its customers. Past due balances are reviewed individually for collectability. Account balances are charged against the allowance when management determines it is probable the receivable will not be recovered. All allowance for credit losses are charged to general and administrative expenses on the Company's consolidated statement of operations.

The allowance for credit losses as of December 31, 2023, and 2022 was as follows:

	December 31,		
	2023	**2022**	**2021**
Balance at beginning of period	$ 2,970	$ 2,970	$ 176
Adjustments and provision for estimated credit losses	(371)	—	2,794
Balance at end of period	**$ 2,599**	**$ 2,970**	**$ 2,970**

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). The Company measures the cost of inventories based on the first-in, first-out method. Inventory costs include expenditures incurred in acquiring the inventories, production or conversion costs, as well as other costs incurred in bringing them to their existing location and condition. Inventory is comprised of raw materials and finished products intended for sale. The Company periodically makes judgments and estimates regarding the future utility and carrying value of inventory. The carrying value of inventory is periodically reviewed and impairments, if any, are recognized when the expected net realizable value is less than carrying value.

Property, Plant and Equipment, Net

Property, plant and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are charged to expense when incurred. Additions and improvements that extend the economic useful life of the asset are capitalized and depreciated over the remaining useful lives of the assets. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts, and any resulting gain or loss is reflected in current earnings. Depreciation is recognized using the straight-line method in amounts considered to be sufficient to allocate the cost of the assets to operations over the estimated useful lives or lease terms, as follows:

Asset Category	Estimated Useful Life
Buildings	25 years
Plant and Machinery	3-10 years
Computer and office equipment	3-5 years
Furniture and Fixtures	5 years
Capitalized software	3-5 years
Construction-in-progress	N/A
Leasehold improvements	**

** Leasehold improvements are depreciated using the straight-line method over the shorter of the estimated useful life of the asset or the term of the underlying lease.

Internal-Use Software

The Company capitalizes qualifying employee costs and third-party vendor fees for the development of software that will only be used internally. Capitalization begins once the project reaches the application development stage. Costs incurred during the preliminary project stage, as well as training costs and data conversion costs, are expensed as incurred. Amortization is generally recorded on a straight-line basis over the estimated useful lives ranging from three to five years. Capitalized internal-use software is included within property, plant, and equipment on the consolidated balance sheets.

Intangible Assets

Intangible assets, which consist of customer relationships, patents and technology, student base, franchise relationships, brands, content, trade names, and non-compete agreements are stated at cost less accumulated amortization. For finite-lived intangible assets, amortization is generally recorded on a straight-line basis over estimated useful lives ranging from two to ten years. The Company periodically reviews the estimated useful lives of intangible assets and adjusts them when events indicate that a shorter life is appropriate.

Goodwill

Goodwill, which represents the excess of the purchase price over the fair value of net assets acquired, is carried at cost, less any impairment. Goodwill is not amortized; rather, it is subject to a periodic assessment for impairment by applying a fair value-based test.

Goodwill and indefinite-lived intangibles are evaluated for impairment on an annual basis at a level of reporting referred to as the reporting unit, and more frequently if adverse events or changes in circumstances indicate that the asset may be impaired. The Company has the option to assess the qualitative factors in determining whether it is more likely than not the fair value of the reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment test. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative goodwill

impairment test is performed. Impairment tests are performed, at a minimum, on December 31st each year. Management may use the income approach (utilizing future estimated discounted cash flows) or the market approach to determine the estimated fair value of reporting units in determining whether the fair value of its reporting units exceeded their carrying amounts. If the fair value exceeds the carrying amount, then no impairment is recognized. If the carrying amount exceeds the fair value calculated, then an impairment charge is recognized for the difference. The impairment review requires management to make judgments in determining various assumptions with respect to revenues, operating margins, growth rates, discount rates and market multiples of comparable companies. The judgments made in determining the estimated fair value of a reporting unit can materially impact the Company's financial condition and results of operations. The Company performed a qualitative assessment and determined it was not more likely than not that the fair values were less than their carrying amounts for the years ended December 31, 2023, 2022, and 2021, respectively.

Impairment of Long-lived Assets, other than Goodwill and other Indefinite-lived Intangible Assets

Long-lived assets, other than goodwill and other indefinite-lived intangibles, are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows derived from such assets.

Factors that the Company considers in deciding when to perform an impairment review include significant changes in the Company's forecasted projections for the asset or asset group for reasons including, but not limited to, significant underperformance of a product in relation to expectations, significant changes, or planned changes in the Company's use of the assets, significant negative industry or economic trends, and new or competing products that enter the marketplace. The impairment test is based on a comparison of the undiscounted cash flows expected to be generated from the use of the asset group. If impairment is indicated, the asset is written down by the amount by which the carrying value of the asset exceeds the related fair value of the asset with the related impairment charge recognized within the statements of operations. During the years ended December 31, 2023 and 2022, the Company did not recognize any impairment charges. During the year ended December 31, 2021, the Company recognized $1,553 of impairment charges relating to its right-of-use assets.

Fair Value Measurements

The Company applies ASC 820, Fair Value Measurement ("ASC 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances. The valuation hierarchy is composed of three levels as described below:

Level 1 - Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company may engage third-party qualified valuation specialists to perform the valuation. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts of the Company's financial assets and liabilities, such as cash and cash equivalents, accounts receivable, due from related parties, contract liabilities, accrued warranties, current related party loans payable and current liabilities of discontinued operations approximate their fair values because of their short-term nature. The fair value of the Company's loans payable (See Note 14 - Debt), which are categorized as Level 3 within the fair value hierarchy as of December 31, 2023 and 2022, is not materially different to the carrying value of such facility. The derivative liability associated with the Company's convertible note is remeasured at fair value at each reporting date and is classified as Level 3 in the fair value hierarchy (See Note 14 - Debt). During the years ended December 31, 2023 and 2022, the Company utilized Level 3 inputs to determine the fair value of net assets acquired in business combinations (see Note 3).

Certain non-financial assets, such as goodwill, intangible assets, right-of-use assets, and property and equipment, are measured at fair value on a non-recurring basis and are adjusted to fair value only if an impairment charge is recognized. Such fair value measures are considered to be within the Level 3 valuation hierarchy due to the subjective nature of the unobservable inputs used. The Company has not recorded any impairment charges to non-financial assets during any of the periods presented.

Business Combinations

The Company accounts for its business combinations using the acquisition method of accounting. The purchase consideration is allocated to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. Management is required to make significant estimates and assumptions in determining fair values, especially with respect to acquired intangible assets, which include but are not limited to the selection of valuation methodologies, expected future revenue and net cash flows, expected customer attrition rates, future changes in technology, and discount rates. These estimates are inherently uncertain and, therefore, actual results may differ from the estimates made. As a result, during the measurement period of up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill as information on the facts and circumstances that existed as of the acquisition date becomes available. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statements of operations.

Acquisition-related expenses are recognized separately from business combinations and are expensed as incurred. The acquisition method also requires that acquisition-related transaction and post-acquisition restructuring costs be charged to expense as committed and requires the Company to recognize and measure certain assets and liabilities including those arising from contingencies and contingent consideration in a business combination. These costs include one-time people-related costs and amounts paid to vendors and consultants assisting with the acquisition. During the years ended December 31, 2023 and 2022, the Company expensed acquisition-related and abandoned deal costs of $19,288 and $502, respectively, in the consolidated statements of operations.

Convertible debt

The Company reviews the terms of convertible debt issued to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as other (expense) income in the consolidated statements of operations. When the convertible debt instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds received are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the host instruments themselves, usually resulting in those instruments being recorded at a discount from their face value. The discount from the face value of the convertible debt, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to interest expense.

Revenue Recognition

The Company recognizes revenue pursuant to ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), which prescribes that an entity should recognize revenue that depicts the transfer of products or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those products or services. The guidance also requires disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts.

Under ASC 606, the Company recognizes revenue following a five-step model which prescribes the Company: (i) identify contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company does not have any significant financing components in their customer contracts.

Performance obligations are satisfied both at a point in time and over time. All revenues are recognized based on the satisfaction of the performance obligation to date.

The eLMTree segment generates revenue primarily from the sale of the following goods and services, which includes freight charges, and excludes value-added tax and other sales taxes.

Hardware and Accessories

The Company generates most of its revenue from the sales of hardware and accessory products to a global network of distributors and resellers, who are considered the customers for these products. Revenue is recognized at a point in time when the customer obtains control of the distinct good. The specific timing of the change in control varies by customer (based on contractual agreements between the Company and the customer) and can occur either when the goods are shipped by the Company via a third-party carrier, or when the goods are made available for pick-up by the customer. Customers do not have a contractual right of return of goods, aside from standard provisions regarding defective products.

The Company provides a Promethean Global Software License for its preloaded proprietary embedded software with the sale of its hardware products. The Company considers this hardware and software to be highly interdependent and highly interrelated. As a result, the Company considers the hardware and proprietary software to represent a combined performance obligation and recognizes revenue when control of the combined performance obligation has passed to the customer.

Future Unspecified Software Upgrade Rights

As part of the sale of certain of its hardware products, the Company provides the right for the customer to receive, on a when-and-if-available basis, future unspecified software upgrades relating to the software bundled with each such hardware device. The customer for future unspecified software upgrade rights is the end user. Because the Company lacks observable prices for the undelivered performance obligations, the allocation of revenue is based on the Company's estimated stand-alone selling prices using the cost-plus margin approach. Allocated revenue for the future unspecified software upgrade rights are recorded in the consolidated balance sheet as contract liabilities and are recognized in the consolidated statement of operations on a straight-line basis over the period that the software upgrades are provided.

Freight Revenue

The Company may arrange for shipment of its core products by third-party logistics providers to certain customers, based on delivery location and timing requirements determined by these customers. The Company considers freight to be a separate performance obligation, as the shipping is capable of being distinct within the context of contract and provides a separate benefit to the customer above and beyond the Company’s other products. This performance obligation is considered to be satisfied at a point in time, which typically occurs when the third-party logistics providers take possession of the products, as control of the goods has passed to the customer at this point in time. The Company considers itself to be the principal in freight revenue transactions.

Warranty Revenue

The Company provides a standard warranty on all of its hardware products. Depending on the jurisdiction in which the product is sold, this standard warranty is either for three years or five years. This warranty is not sold separately and does not provide any additional services beyond assuring the product complies with the agreed upon specifications. As such, the Company considers the standard warranty as an assurance type warranty which does not constitute a separate performance obligation.

In those jurisdictions where a three-year warranty is considered standard, the Company also separately sells enhanced five-year and seven-year warranties, which are considered to represent a separate performance obligation that is satisfied over the time period from the end of the term of the standard warranty to the end of the term of the enhanced warranty. The customer for enhanced warranties is the end user. In those jurisdictions where a five-year warranty is considered standard, the Company also separately sells enhanced seven-year warranties, which are considered to represent a separate performance obligation that is satisfied over the time period from the end of the term of the standard warranty to the end of the term of the enhanced warranty.

Payments received in advance of providing these enhanced warranty services are recorded in the consolidated balance sheet as contract liabilities and are recognized in the consolidated statement of operations on a straight-line basis over the period that the enhanced warranty services are provided.

Software-as-a-Service (SaaS)

The Company offers a number of services, generally in the form of a subscription for a set time period, through the use of internally developed software and certain third-party arrangements. The Company considers SaaS offerings to be a separate performance obligation, as the service provided is capable of being distinct within the context of contract and provides a separate benefit to the customer above and beyond the Company’s other products. The customer for SaaS offerings is the end user. Payments received in advance of providing the SaaS offering are recorded in the consolidated balance sheet as contract liabilities, and are recognized in the consolidated statement of operations on a straight-line basis over the period that SaaS offering are provided.

Training Revenue

The Company offers a training service for use of its hardware, which is considered to represent a separate performance obligation that is satisfied over time, as the services are capable of being distinct within the context of contract and provide a separate benefit to the customer above and beyond the Company's other products. The customer for training services is the end user. The revenue associated with this performance obligation is recognized on a straight-line basis over the training period, which the Company believes represents a faithful depiction of the transfer of these training services. Payments received in advance of providing these training services are recorded in the consolidated balance sheet as contract liabilities and are recognized in the consolidated statements of operations on a straight-line basis over the training period.

The GEH Singapore segment generates its revenues from the following revenue sources:

Tuition fees generated from kindergarten services and student care services

The Company provides private kindergarten services and student care center services to students. Tuition fees are collected in advance and are initially recorded as deferred revenue.

Kindergarten services consist of a series of classes which are highly interdependent and interrelated in the context of the contract and each class is not distinct and not sold standalone. Therefore, the kindergarten services are accounted for as a single performance obligation.

Student care services provide a series of classes which are highly interdependent and interrelated in the context of the contract and each class is not distinct and not sold standalone. Therefore, student care services are also accounted for as a single performance obligation.

Revenues for the kindergarten services and student care center services are recognized on a straight-line basis over the service period.

Franchising fees

The Company generates revenues by franchising kindergartens, and collects from franchisees both an initial franchising fee and an annual franchise fee. As the initial franchising service and annual franchising service are distinct from each other, the Company identifies two performance obligations accordingly. The transaction price is allocated to each performance obligation based on a relative stand-alone selling price.

Initial franchising fees represent provision of initial set-up services which are typically received upfront and recorded in the consolidated balance sheet as contract liabilities. The set-up period usually begins with the site renovation or training services, whichever is earlier, to the time point when kindergartens commence operations, which is approximately 6 to 12 months. Initial franchising fees are recognized over time throughout the set-up period.

Annual franchise fees represent supporting services provided by the Company to the franchised kindergartens. The related annual franchise fees are received upfront and recorded in the consolidated balance sheet as contract liabilities. Annual franchise fees are recognized over time throughout the contract terms.

Practical Expedients

The Company applies the following practical expedients allowable under ASC 606:

1. Sales Taxes and Similar Taxes Collected from Customers:

   The Company excludes from the transaction price value-added tax and other sales taxes.

2. Contract Costs:

   The Company recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

Significant Judgments

Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. To be distinct, the customer must be able to benefit from the service on its own or with readily available resources, and the promise to transfer the good or service must be separately identifiable from other goods and services in the contract.

When the Company enters into contracts whereby the Company will transfer cash or a credit note to a customer when a rebate has been achieved, the Company estimates the amount of consideration to which it will be entitled using the expected value method. The Company also enters into contracts with certain of its distributor and reseller partners where the sales price of the products or services transferred is not fixed at the time revenue is initially recognized, but is rather subsequently determined by the price at which the distributor or reseller sells the products or services to the end consumer. These estimates are made using the expected value method based on historical rebate experience and expected future sales trends on a customer-by-customer basis. These estimates are measured at each reporting date and are generally resolved within 90 days of recognizing the initial revenue. Because these contracts contain elements of variable consideration, the Company only includes this variable consideration in its transaction price when there is a basis to reasonably estimate the amount of consideration to which the Company expects to ultimately be entitled, and it is probable there will not subsequently be a significant reversal of revenue previously recognized.

Provision for Warranty Costs

The Company provides customers of its products with warranties covering defects in the components of the product. The Company records a liability based on its best estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date. Factors used in estimating the warranty liability include a history of units sold and units under warranty that have failed, average cost incurred to repair/replace units under warranty, and a profile of the distribution of warranty expenditures over the warranty period. Actual claims incurred could differ from estimates, requiring adjustments to the liabilities.

Cost of Sales

Cost of sales consists primarily of inventory costs, cost of delivering training services, depreciation of property, plant and equipment, freight, warehousing, and warranty costs associated with the Company’s hardware products, as well as third-party hosting and processing fees associated with the Company’s online sales platforms. In addition, logistic and operations employee costs, as well as an allocation of related depreciation and office space cost, are also included in cost of sales. Further, costs of sales also consists of employee costs and facility costs associated with the Company's early childcare education services in the Singapore market. Finally, amortization of intangible assets directly associated with the Company’s products and services is included in cost of sales.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, and employee benefits for its employees not related to logistics and operations, early childcare education services, research and development, and selling and marketing activities, as well as costs incurred for office space (excluding amounts allocated to cost of sales), professional service fees, insurance costs, legal expenses, and other general overhead.

Research and Development Expenses

Research and development expenses consist primarily of salaries, employee benefits, and other compensation for employees engaged in research and development.

Sales and Marketing Expenses

Selling and marketing expenses consist primarily of salaries, employee benefits, and other headcount-related expenses associated with sales and marketing personnel, and the costs of media advertising, promotions, trade shows, and seminars.

Advertising Expense

Advertising costs are expensed as incurred. Advertising costs were $7,220, $11,343, and $8,508 for the years ended December 31, 2023, 2022, and 2021, respectively, which are included in sales and marketing expenses on the consolidated statements of operations.

Other Income (Expense)

Other income (expense) consists primarily of interest expense, foreign currency transaction adjustments, and gain from the forgiveness of debt.

(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Restructuring and Other Expense

Costs to exit or restructure certain activities of an acquired company or its internal operations are accounted for as termination and exit costs pursuant to ASC 420, *Exit or Disposal Cost Obligations*, and are accounted for separately from the business combination. A liability for costs associated with an exit or disposal activity is recognized and measured at its fair value in the consolidated statement of operations in the period in which the liability is incurred.

	December 31,		
	2023	**2022**	**2021**
Severance costs	$ 4,527	$ 238	$ 469
Write-off of prepaid subscriptions [1]	5,668	—	—
	$ 10,195	**$ 238**	**$ 469**

[1] Represents the write-off of prepaid subscriptions pursuant to a distribution and master services agreement as these prepaid subscriptions were deemed not recoverable through future sales activity.

Right-of-use Assets and Lease Liabilities

The Company has entered into lease agreements for certain facilities, vehicles and equipment, which provide the right to use the underlying asset and require lease payments over the term of the lease. At inception, the Company determines if an arrangement is a lease and then classifies leases as operating or finance at commencement. The Company does not have any financing leases. Operating leases are presented as right-of-use ("ROU") assets, and the corresponding lease liabilities are included in operating lease liabilities, current and operating lease liabilities, non-current on the Company's consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset, and lease liabilities represent the Company's obligation for lease payments in exchange for the ability to use the asset for the duration of the lease term.

ROU assets and lease liabilities are recognized at commencement date and determined using the present value of the future minimum lease payments over the lease term. The Company uses an incremental borrowing rate based on estimated rate of interest for collateralized borrowing since the Company's leases do not include an implicit interest rate. The estimated incremental borrowing rate considers market data, the economic environment of the jurisdiction where the lease is located, and the lease term at commencement date. The lease term may include options to extend when it is reasonably certain that the Company will exercise that option. The Company recognizes operating lease expense on a straight-line basis over the lease term.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, net of operating loss carry forwards and credits, by applying enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when the Company determines it is more likely than not that some portion or all deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws and regulations applicable to the Company as enacted by the relevant tax authorities.

The impact of an uncertain income tax position on the income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authorities. An uncertain income tax position will not be recognized if it has less than 50% likelihood of being sustained. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes.

The Company does not provide for income taxes on its undistributed earnings of its foreign subsidiaries since such earnings are considered to be indefinitely reinvested or may be remitted tax-free. It is not practicable to estimate the amount of deferred tax liability related to these investments. Carryforward attributes that were generated in tax years prior to those that remain open for examination may still be adjusted by relevant tax authorities upon examination if they either have been, or will be, used in a future period.

Functional Currency

The local currency is the functional currency for all foreign entities other than a small number of intermediate holding companies which have USD as the functional currency. Assets and liabilities of these operations are translated into U.S. Dollars at the exchange rate in effect at the end of each period. Income statement accounts are translated at the average exchange rate prevailing during the period. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of other comprehensive income (loss). During the year ended December 31, 2023 the Company recognized a gain of $1,033 and incurred a loss of $3,367 and $755 during the years ended December 31, 2022 and 2021, respectively, for the translation of foreign entities due to fluctuations of foreign currency exchange rates.

Segment Reporting

The Company determines its reportable segments in accordance with ASC 280, *Segment Reporting*. The Company determines its reportable segments by first identifying its operating segments. An operating segment is a component of the Company that 1) engages in business activities from which it may recognize revenue and incur expenses, 2) its operating results are regularly reviewed by the chief operating decision maker (“CODM”) in making decisions about resources to be allocated to the segment and assessing its performance, and 3) its discrete financial information is available. The Company's CODM has been identified as its Chief Executive Officer.

The Company has determined that it has two operating segments and that these two operating segments each represent a reportable segment:

The eLMTree segment produces interactive displays and teaching software primarily used in the education market in the U.S., the U.K., and Europe as well as parts of Asia and Africa. The financial information reviewed by the CODM combines the results of the US and rest of world operations.

The GEH Singapore segment operates exclusively in Singapore and provides private kindergarten services and student care center services through its direct operations, and also generates revenue from franchising to third-parties. The results of GEH Singapore are presented separately in the financial information reviewed by the CODM.

Discontinued Operations

When the Company has abandoned, or classified as held for sale, a business component that represents a strategic shift with significant effect on the Company’s operations and financial results, it classifies that business component as a discontinued operation and retrospectively presents discontinued operations for the comparable periods. The post-tax income, or loss, of discontinued operations are shown as a single line on the face of the consolidated statements of operations. The disposal of the discontinued operation would also result in a gain or loss upon final disposal.

Recent Accounting Pronouncements Issued but not yet Adopted

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This ASU updates reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. The amendments in this ASU are effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is still evaluating the effect of the adoption of this guidance.

In December 2023, the FASB issued Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances the transparency and decision usefulness of income tax disclosures. The amendments address more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The ASU also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in this ASU are effective for public business entities for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Company is still evaluating the effect of the adoption of this guidance.

On March 6, 2024, the SEC approved a rule that will require registrants to provide certain climate-related information in their registration statements and annual reports. The rule requires information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. The required information about climate-related risks also includes disclosure of a registrant's greenhouse gas emissions. In addition, the rules will require registrants to present certain climate-related financial metrics in their audited financial statements. The Company is evaluating the potential impact of this rule on the consolidated financial statements and related disclosures.

Note 3. Business Combinations

Explain Everything, Inc.

On November 17, 2022, pursuant to an Asset Purchase Agreement entered into on that date, the Company acquired substantially all the assets and assumed certain liabilities (the "Acquisition") of Explain Everything, Inc., Explain Everything Sales, Inc., EE Discover, Inc., and Explain Everything SP. ZO.O (collectively, “Explain Everything” or the “Seller”) in exchange for total consideration of $8,065, consisting of: (i) $6,000 in cash paid at the closing of the Acquisition, (ii) an Earn-Out Payment valued at $377, (iii) Deferred Payments valued at $1,939, and (iv) reduced for working capital adjustments totaling approximately $251. Explain Everything is a leading whiteboard platform designed to help teachers and students create and complete engaging lessons and assignments, video capture, and collaborate. During the year ended December 31, 2023, the Company paid $400 in full satisfaction of the Earn-Out Payment and $1,000 of the Deferred Payments, as well as a payment of $716 for final working capital adjustments. The final installment of Deferred Payments is due in November 2024.

The Acquisition was accounted for as a business combination in accordance with ASC 805. The Company determined the fair values of the assets acquired and liabilities assumed in the Acquisition. The fair values of the assets acquired and liabilities assumed, as well as the pro-forma results of operations for this acquisition, have not been presented because they are not material to the consolidated financial statements.

Gravitas Education Holdings, Inc. (“GEHI”)

On December 13, 2023, NetDragon and GEHI completed a series of transactions ("the Merger") that resulted in (i) GEHI divesting its business in China, (ii) NetDragon transferring its education businesses outside of China to eLMTree, (iii) eLMTree becoming a wholly owned subsidiary of GEHI, and (iv) GEHI changing its name to “Mynd.ai, Inc.” The Merger is being accounted for as a business combination in accordance with ASC 805. While GEHI is the legal acquirer of eLMTree, the transaction has been treated as a reverse acquisition, and consequently, eLMTree was identified as the acquirer for accounting purposes. The purchase consideration was measured at the fair value of GEHI shares issued and outstanding at the close of the merger. Any difference between the fair value of the GEHI shares issued, less the fair value of GEHI’s identifiable assets acquired (net of liabilities assumed) and non-controlling interest, represents goodwill. The identifiable net assets acquired of GEHI were valued at their respective fair values at the acquisition date.

(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

For accounting purposes, the Merger resulted in eLMTree acquiring an 85% equity interest in GEH Singapore, a company incorporated in Singapore that, through various of its subsidiaries, provides early childhood education services, meeting the needs of children from infancy to 6 years old through structured courses at kindergarten and student care centers, as well as through franchise relationships with third-party kindergarten services. The Merger provided the eLMTree segment with a pathway to greater autonomy and future financing opportunities as a public company, while providing the GEH Singapore segment with significant new sources of funding to potentially refurbish its existing facilities and expand its footprint in both Singapore and to other countries in the region. The result of this acquisition has been included in the Company's consolidated financial statements as of and from the date of acquisition. The associated goodwill has been included in the Company's GEH Singapore reportable segment.

The preliminary fair values of the identifiable assets acquired and liabilities assumed as of acquisition date were:

	December 13, 2023 [1]
Cash and cash equivalents	$ 16,138
Accounts receivable, net	1,464
Prepaid expenses and other current assets	902
Current tax assets	282
Amounts due from related parties	46
Inventories	141
Operating lease right-of-use assets	5,398
Property and equipment, net	4,773
Other non-current assets	2,226
Intangible assets	7,750
Total Assets	39,121
Accrued expenses and other current liabilities	(5,496)
Operating lease liabilities - current	(2,903)
Operating lease liabilities - non-current	(2,603)
Contract liabilities - current	(1,730)
Income tax payable	(382)
Other non-current liabilities	(3,977)
Deferred tax liability	(1,317)
Total Liabilities	(18,408)
Total identifiable net assets at fair value	20,713
Goodwill	3,991
Non-controlling interest	(1,855)
Purchase consideration transferred	**$ 22,849**

[1] Rounding may impact summation of amounts.

The preliminary purchase price allocations reflect various fair value estimates and analyses relating to the determination of fair value of certain tangible and intangible assets acquired, non-controlling interest, and residual goodwill. The Company determined the estimated fair value of the acquired working capital, and identifiable intangible assets and goodwill after review and consideration of relevant information including discounted cash flow analyses, market data, and management's estimates, with the assistance of an independent valuation firm. The estimated fair value of acquired working capital was determined to approximate carrying value.

The goodwill arising from the transaction consists of expected synergies from combining operations of the two companies. None of the goodwill will be deductible for tax purposes.

Intangible assets acquired comprise of the following:

	Purchase price allocation (in thousands)	Useful lives (in years)
Student base (Childcare)	$ 4,000	4
Franchise relationships	1,700	10
Brands	1,600	10
Content	450	5
Total intangible assets acquired	**$ 7,750**	

The provisional measurements of identifiable assets and liabilities, non-controlling interest, and the resulting goodwill related to this acquisition, is subject to adjustments in subsequent periods as the Company finalizes its purchase price allocation, including third-party valuations.

Since the closing date of the Transaction, $1,808 of revenue and $217 of net income of GEH Singapore have been included in the Company's consolidated statement of operations for the year ended December 31, 2023.

Unaudited supplemental pro-forma information

Had the acquisition been completed on January 1, 2022, the Company's pro forma results of operations for the years ended December 31, 2023 and 2022 would have been as follows:

	December 31,	
	2023	2022
Revenue (in thousands)	$ 448,469	$ 615,436
Net gain (loss) attributable to shareholders (in thousands)	$ (28,754)	$ (8,116)

The unaudited supplemental pro-forma information presented above includes the following assumptions and adjustments -

(1) The 2023 supplemental pro forma earnings were adjusted to exclude $19,288 of acquisition-related costs incurred in 2023. The 2022 supplemental pro forma earnings were adjusted to include the same.
(2) The 2022 supplemental pro forma earnings were adjusted to exclude impairment losses of $22,661 that would not have been recorded had the acquisition been completed on January 1, 2022.
(3) The 2023 and 2022 supplemental pro forma earnings were adjusted to include expense related to the amortization of acquired intangibles for an entire year.
(4) The convertible note (further described in Note 14) was assumed to have been issued on January 1, 2022 and therefore, interest for the entire year on the convertible note was deducted to arrive at the 2023 and 2022 supplemental pro-forma earnings .

Note 4. Revenue Recognition

Revenue

Sales of hardware and accessories include revenue from freight, which is recognized at a point in time. Services include enhanced warranty, training revenue, as well as revenue from kindergarten and student care services, which are recognized over time. Revenue from SaaS and revenue from future software upgrade rights are also recognized over time.

Mynd.ai. Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

The following table presents the Company's revenue disaggregated based on the revenue source and the timing of revenue recognition:

	Year Ended December 31,		
	2023	**2022**	**2021**
Revenue from hardware and accessories	$ 394,666	$ 573,409	$ 440,984
Revenue from services	10,799	7,305	5,602
Revenue from SaaS	5,379	3,816	1,607
Revenue from software upgrade rights	2,720	154	—
Total revenue	**$ 413,564**	**$ 584,684**	**$ 448,193**

Revenue disaggregation

The following table presents the Company's revenue disaggregated based on geographic location of customers:

	Year Ended December 31,		
	2023	**2022**	**2021**
United States	$ 292,583	$ 417,476	$ 296,601
Rest of World	120,981	167,208	151,592
Total revenue	**$ 413,564**	**$ 584,684**	**$ 448,193**

Included in the rest of world, is the country where the revenue during the periods presented exceeded 10% or more of the total revenue in the Company's consolidated statements of operations:

	Year Ended December 31,		
	2023	**2022**	**2021**
Germany	$ 46,152	$ —	$ —

Contract liabilities

	December 31,	
	2023	**2022**
Deferred revenue: enhanced warranties	$ 21,057	$ 19,264
Deferred revenue: other services	14,814	8,576
Total contract liabilities	**$ 35,871**	**$ 27,840**

(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

The contract liabilities listed above represent deferred revenue associated with sales of enhanced warranties and other services such as training revenue and future unspecified software upgrade rights, as well as deferred revenue associated with kindergarten and student care services. The deferred revenue amounts included as contract liabilities represent the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially satisfied). These performance obligations are expected to be satisfied as follows:

	Enhanced warranties	Other services
2024	$ 3,321	$ 10,789
2025	5,012	2,673
2026	5,853	798
2027	4,127	394
2028	1,956	160
Thereafter	788	—
Total contract liabilities	**$ 21,057**	**$ 14,814**

During the years ended December 31, 2023, 2022, and 2021, the Company recognized $10,148, $6,127, and $3,978, respectively, in revenue that was included in deferred revenue contract liabilities as of January 1, 2023, 2022, and 2021, respectively.

The Company did not have any contract assets as of or for the years ended December 31, 2023 and 2022.

Mynd.ai. Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Note 5. Segment and Entity-wide Disclosures

Segment reporting

Based on how the Company's CODM assesses the performance of the business, as well as the availability of discrete financial information, the Company has identified two reportable segments: eLMTree and GEH Singapore. The CODM utilizes revenue and operating income to assess the performance of these segments. The Company does not allocate corporate expenses related to the Company's Board of Directors and strategic initiatives, as well as certain other costs, to the individual segments, and instead reports all such costs in the eLMTree segment.

Prior to acquisition of the GEH Singapore segment in December 2023, the Company had only one operating segment. The tables below represent the segment information reviewed by the Company's CODM for the year ended December 31, 2023 (in thousands):

	eLMTree	GEH Singapore
Revenue	$ 411,756	$ 1,808
Cost of sales	$ 309,186	$ 1,237
Depreciation and amortization expense	$ 5,090	$ 34
Operating (loss) income	$ (43,957)	$ 204
Interest expense	$ 4,659	$ 2
Other income (expense)	$ 2,253	$ (3)
Pre-tax (loss) income from continuing operations	$ (47,185)	$ 198
Income tax benefit	$ 9,137	$ 19
Net income (loss)	(38,048)	$ 217
Long lived assets:		
Property plant and equipment	$ 7,037	$ 4,841
Right of use assets	$ 2,412	$ 5,079
Intangible assets	$ 43,700	$ 7,750

Entity-wide disclosures

The following table reflects the Company's geographic distribution of property, plant, and equipment, net and ROU assets, net (in thousands):

Singapore	$ 9,920
United Kingdom	6,496
United states	1,495
Rest of World	1,458
	$ 19,369

Note 6. Inventories

Inventories consist of the following:

	December 31,	
	2023	**2022**
Raw materials	$ 814	$ 768
Finished goods	52,284	110,459
	$ 53,098	**$ 111,227**

(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Note 7. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2023	2022
Current tax assets	$ 4,545	$ 3,846
Prepaid Expenses	6,026	2,202
Others	4,095	2,929
Total	**$ 14,666**	**$ 8,977**

Note 8. Property, Plant, and Equipment, net

Property, plant and equipment, net consist of the following:

	December 31,	
	2023	2022
Buildings	$ 5,462	$ 1,675
Plant and machinery	$ 2,246	$ 2,124
Leasehold improvements	$ 132	$ 133
Computer and office equipment	$ 16,602	$ 14,618
Furniture and fixtures	$ 1,805	$ 1,750
Internal use software	$ 1,719	$ —
Construction in progress	$ 3,866	$ 1,079
	$ 31,832	$ 21,379
Less: Accumulated depreciation	$ (19,954)	$ (18,381)
Property, plant and equipment, net	**$ 11,878**	**$ 2,998**

Depreciation expense totaled $901, of which $311 was recorded in cost of sales, $244 was recorded in sales and marketing expense, $199 was recorded in research and development expense, and $147 was recorded in general and administrative expense on the Company's consolidated statement of operations for the year ended December 31, 2023. Depreciation expense totaled $889 and $1,025, of which $188 and $199 is recorded in cost of sales, and $701 and $826 is recorded in general and administrative expenses on the Company’s consolidated statement of operations for the years ended December 31, 2022, and 2021, respectively.

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Note 9. Goodwill and Intangible Assets

Goodwill and Indefinite-Lived Intangible Assets

The following table presents the changes in the gross carrying amount of goodwill and other indefinite lived intangible assets for the periods presented (in thousands):

	Goodwill	Tradenames
Balance, December 31, 2020	$ 34,255	$ 35,997
Foreign currency adjustments	—	—
Balance, December 31, 2021	34,255	35,997
Foreign currency adjustments	501	—
Additions	7,292	—
Balance, December 31, 2022	42,048	35,997
Foreign currency adjustments	885	0
Additions	3,991	0
Balance, December 31, 2023	**$ 46,924**	**$ 35,997**

The goodwill balance of the Company relates to goodwill recognized by NetDragon in connection with the 2015 acquisition of Promethean World Limited as discussed in Note 2 - Summary of Significant Accounting Policies, the 2022 acquisition of Explain Everything and the 2023 acquisition of GEH Singapore as discussed in Note 3 - Business Combinations. The goodwill recorded as part of the acquisition of Promethean is assigned to the Company's eLMTree reporting unit. Given the timing of the acquisition of GEH Singapore relative to December 31, 2023, the Company has only performed a preliminary purchase price allocations, and has not yet concluded how it will assign the goodwill recorded as part of this acquisition between its two reporting units.

The tradenames balance relates to the intangible assets recognized by NetDragon in connection with the 2015 acquisition of Promethean World Limited. There were no impairments of goodwill and indefinite-lived intangible assets identified for the years ended December 31, 2023, 2022 and 2021.

Finite-Lived Intangible Assets

The Company acquired student base (student care), franchise relationships, brands and content as a part of its 2023 acquisition of GEH Singapore as discussed in Note 3 - Business Combinations.

The components of intangible assets, all of which are finite-lived, consisted of the following:

	December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (Years)
Customer relationships	$ 10,514	$ (10,514)	$ —	0.0
Patent and developed technology	$ 37,323	$ (30,023)	$ 7,300	1.9
Student base (Childcare)	$ 4,000	$ —	$ 4,000	4.0
Franchise relationships	$ 1,700	$ —	$ 1,700	10.0
Brands	$ 1,600	$ —	$ 1,600	10.0
Tradenames	$ 576	$ (207)	$ 369	2.0
Content	$ 450	$ —	$ 450	5.0
Non-compete agreements	$ 54	$ (20)	$ 34	2.0
	$ 56,217	**$ (40,764)**	**$ 15,453**	

	December 31, 2022			
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (Years)
Customer relationships	$ 10,514	$ (10,514)	$ —	0.0
Patent and developed technology	$ 37,403	$ (26,022)	$ 11,381	2.8
Tradenames	$ 560	$ —	$ 560	10.0
Non-compete agreements	$ 59	$ —	$ 59	2.0
	$ 48,536	**$ (36,536)**	**$ 12,000**	

No impairments of finite-lived intangible assets were identified during fiscal years 2023, 2022 and 2021. The Company estimates that it has no significant residual value related to the finite-lived intangible assets.

During the years ended December 31, 2023, and 2022, intangible assets amortization expense was $4,223 and $3,631, respectively, which was entirely included in cost of sales on the Company's consolidated statement of operations. Intangible assets for which amortization was previously recorded in general and administrative expenses in prior years became fully amortized in the year ended December 31, 2021. Intangible assets amortization expense was $5,091, of which $3,631 was included in cost of sales and $1,460 was included in general and administrative expenses on the Company's consolidated statement of operations for the year ended December 31, 2021.

The following table outlines the estimated future amortization expense related to intangible assets held as of December 31, 2023:

Year Ending December 31,		
2024	$	5,594
2025	$	4,989
2026	$	1,439
2027	$	1,439
2028	$	439
Thereafter	$	1,553
Total	**$**	**15,453**

(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Note 10. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2023	**2022**
Accrued payroll	18,525	21,232
Deferred R&D credits	5,053	975
Rebates and customer advances	1,242	1,050
Interest payable	4,006	2,096
Accrued duty, freight and related expenses	4,005	5,314
Royalties	2,471	2,149
Value added tax payables	1,751	949
Other accrued expenses and liabilities	8,336	13,320
	$ 45,389	**$ 47,085**

Deferred R&D credits represent future offsets to research and development expense in the consolidated statement of operations. These credits were generated through the Company's participation in the U.K. Research and Development Expenditure Credit (RDEC) program.

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Note 11. Net (Loss) Income Per Share

The following table sets forth the computation of basic and diluted loss per share of the Company's common stock, net of non-controlling interest:

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Numerator:			
Net (loss) income attributable to ordinary shareholders of Mynd.ai, Inc. from continuing operations	$ (37,041)	$ 35,222	$ 6,858
Net (loss) income attributable to ordinary shareholders of Mynd.ai, Inc. from discontinued operations	$ (823)	$ (12,637)	$ (7,960)
Net (loss) income attributable to ordinary shareholders of Mynd.ai, Inc.	$ (37,864)	$ 22,585	$ (1,102)
Denominator:			
Weighted average shares outstanding used in calculating net (loss) income per share	**427,986,755**	**426,422,220**	**426,422,220**
Basic and diluted loss per share:			
Net (loss) income per share attributable to ordinary shareholders of Mynd.ai, Inc. from continuing operations	$ (0.09)	$ 0.08	$ 0.02
Net (loss) per share attributable to ordinary shareholders of Mynd.ai, Inc. from discontinued operations	$ 0.00	$ (0.03)	$ (0.02)
Net (loss) income per share attributable to ordinary shareholders of Mynd.ai, Inc.	$ (0.09)	$ 0.05	$ 0.00

Basic and diluted loss per share are computed using the weighted average number of ordinary shares outstanding during the period.

Shares issuable upon the exercise of the conversion option related to the Convertible Note in the amount of 32,220,497 ordinary shares were excluded from the computation of diluted net loss per share for the year ended December 31, 2023 because of their anti-dilutive effect.

Note 12. Relation with Controlling Shareholder and Related Entities

Historically, eLMTree has been managed and operated in the normal course of business consistent with other affiliates of the Controlling Shareholder. In preparing the 2022 and 2021 consolidated financial statements, certain shared costs have been allocated to the eLMTree segment and reflected as expenses in the consolidated statement of operations. Management considers the allocation methodologies used to be reasonable and appropriate reflections of the historical Controlling Shareholder expenses attributable to the eLMTree segment for purposes of the stand-alone financial statements. However, the expenses reflected in the consolidated financial statements may not be indicative of the actual expenses that would have been incurred during the periods presented if eLMTree historically operated as a separate, stand-alone entity.

Allocated Direct Costs

The consolidated statements of operations include expenses for employee compensation that were directly attributable to the Company’s business. The Controlling Shareholder has allocated such expenses by identifying the individual employee whose work directly related to the Company. Costs of $1,090 and $2,191 for the years ended December 31, 2022 and 2021, respectively, have been reflected in the operating expenses in the consolidated statements of operations for the Company's allocated share of Controlling Shareholder’s operating expenses.

Note 13. Related Party Transactions

As of December 31, 2023 and 2022, the Company has receivables of $2,759 and $2,093, respectively, and payables of $5,080 and $3,978, respectively, with related parties with common ownership. Receivables relate to reimbursements owed by related parties for costs incurred, including employee-related costs, or services provided by the Company on behalf of related parties. Payables relate to engineering, hosting, and employee services provided by related parties on behalf of the Company, as well as certain costs incurred by related parties on behalf of the Company in connection with the Merger. These payables exclude the Loans payable, related parties, non-current discussed below, as well as the Convertible Note discussed in Note 14. Debt. During the years ended December 31, 2023, 2022 and 2021, the Company received services from related parties totaling $8,745, $5,005, and $3,067, respectively.

On July 15, 2022, the Company entered into a related party loan agreement with Best Assistant Education Online Limited, a subsidiary of NetDragon, (“Best Assistant” or the "Borrower"). The loan agreement allowed the Borrower to receive a non-interest bearing loan from the Company up to a maximum of $10,000. The loan is due on the earlier of (i) June 30, 2023 or (ii) a change in control of the Borrower. The outstanding balance owed to the Company as of December 31, 2022 was $7,919. This loan was fully repaid during the year ended December 31, 2023.

In November 2019, eLMTree issued a non-interest-bearing promissory note of $45,800 due to Best Assistant. The promissory note was payable upon demand. This promissory note was fully repaid on November 18, 2022.

The Controlling Shareholder, through its various operating and financing subsidiaries, has historically provided funding to eLMTree on an interest-free basis with no set repayment date. Effective September 30, 2021, a total of $76,131 in historical funding was formally designated as a capital contribution and reclassified to additional paid-in capital. As of December 31, 2023 and 2022, the Company had $4,670 and $4,445, respectively, in funding from the Controlling Shareholder which was recorded as Loans payable, related parties, non-current on the consolidated balance sheets.

The non-controlling interest in the Company is held by a current employee of GEH Singapore. As of December 31, 2023 the non-controlling interest recorded in equity was $1,889.

Concurrent with the closing of the GEH Acquisition described in detail in Note 3, the Company issued a senior secured convertible note to an entity which is considered a related party as of December 31, 2023. See further discussion of this note in Note 14.

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Note 14. Debt

Debt outstanding consists of the following:

	December 31,	
	2023	2022
Revolver	$ 32,000	$ 47,838
Paycheck Protection Program Loan	194	192
Less revolver issuance costs	(252)	—
Loans payable, current	31,942	48,030
Convertible Note (a)	50,585	—
Embedded derivative (b)	14,308	—
Less issuance costs on convertible debt	(116)	—
Paycheck Protection Program Loan	82	276
Loans payable, non-current (Note 13 & 14)	64,859	276
Loans payable, related parties, non-current	4,670	4,445
	$ 101,471	$ 52,751

(a) The Convertible Note balance at December 31, 2023 is comprised of the Convertible Note's initial measurement at $50,260, which represents the gross proceeds received less fair value of the embedded derivative, $169 of accrued PIK interest for which the Notes will be issued in 2024 and accretion of discount on issuance of $156.

(b) Represents the embedded derivative included within the Convertible Note that is bifurcated and stated at fair value as at December 31, 2023.

The following table summarizes the debt maturities for the Convertible Note, the Revolver and the Paycheck Protection Program Loan (in thousands):

2024	$ 194
2025	82
2026	—
2027	—
2028 [(1) (2)]	97,169
Thereafter	—
	$ 97,445

[(1)] The Company classifies the Revolver as a current liability on its consolidated balance sheets due to its intent and practice of using the Revolver for short-term financing needs. However, in the table above, the Revolver has been reflected at its maturity date in 2028.

[(2)] Debt maturing in 2028 also includes the Convertible Note with a maturity value of $65,000 and accrued PIK interest at December 31, 2023 of $169.

Convertible Note

Concurrent with the closing of the GEH Acquisition described in detail in Note 3, the Company issued a senior secured convertible note, in the principal amount of $65,000 (the “Convertible Note”). The Convertible Note bears (i) cash interest at the rate of 5.00% per annum and (ii) paid-in-kind interest ("PIK") at the rate of 5.00% per annum, payable by issuing additional notes (the “Convertible Note” or "Notes" while referring to the Convertible Note plus the Notes issued in connection with the PIK interest). Both the cash interest and PIK interest is payable semiannually on June 15 and December 13 of each year. The Company prepaid the cash interest due in 2024 at the time of issuance of the Convertible Note, so the first semiannual payment of cash interest will be on June 15, 2025.
PIK interest is payable by issuing additional notes in an amount equal to the applicable amount of PIK interest for the interest period.

The Company capitalized $116 of debt issuance costs related the Convertible Note. The Notes are senior secured obligations of the Issuer and mature on December 13, 2028, unless earlier redeemed, repurchased or converted. The initial conversion rate per $1 principal amount of the Notes is equal to the product of (i) $1 divided by (ii) 115% of the “GEHI Per Share Value” as defined under the Convertible Note agreement (the “Initial Conversion Price”), or $0.002. The conversion rate is subject to adjustment under certain circumstances in accordance with the terms of the Convertible Note. The Notes are convertible at the option of the Holder at any time until the outstanding principal amount (including any accrued and unpaid interest) has been paid in full. Subject to the terms of Notes, the Holder may elect to receive the Company's American Depositary Shares (the “ADS”) in lieu of the Company’s ordinary shares, par value $0.001 per share, (the “Ordinary Shares”), upon conversion of the Notes.

Certain features of the Convertible Note including the conversion option, redemption at the Company’s election, and acceleration of amounts due under the Convertible Note upon an event of default require bifurcation and separate accounting as a single embedded derivative (the “Embedded Derivative”) from the Convertible Note pursuant to ASC 815. The Embedded Derivative is measured at fair value utilizing Level 3 inputs under the fair value measurement hierarchy on the date of issuance (December 13, 2023) and at the end of each reporting period. As of December 13, 2023 and December 31, 2023, the Embedded Derivative was valued at $14,740 and $14,308, respectively. It is included in non-current loans payable in the consolidated balance sheets. The discount on the Note of $14,740 resulting from the initial fair value of the embedded derivative will be amortized to interest expense using the effective interest method and changes in the fair value of the embedded derivative will be recorded as other expense (income) in the consolidated statements of operations.

The Convertible Note contains certain representations, warranties, events of default and negative covenants that limit, without the consent of the holder(s) of the Convertible Note, the Company’s ability, among other things, to incur additional indebtedness, sell or acquire assets, undertake capital expenditures, and enter into certain transactions with third parties. As of December 31, 2023, the Company believes it was in material compliance with all such covenants.

During the year ended December 31, 2023, the Company recognized a gain on remeasurement of the Embedded Derivative of $432, which was recorded in other expense (income) in the consolidated statement of operations.

The fair value of the Embedded Derivative was calculated using a with and without method on the date of issuance (December 13, 2023) and at the end of each reporting period (December 31, 2023) using a Monte Carlo simulation model with the following assumptions -

	December 13, 2023	December 31, 2023	Relationship of significant unobservable input to fair value
Expected volatility	54.0 %	56.0 %	Increase in expected volatility will increase the value of the derivative
Risk-free rate	4.0 %	3.8 %	Increase in risk-free rate will increase the value of the derivative
Credit risk adjusted rate	20.0 %	20.0 %	Increase in credit risk adjusted rate will increase the value of the derivative

Revolver

In June 2018, the Company entered into a secured revolving line of credit facility for borrowings up to $35,000 with Bank of America with an original termination date of June 25, 2021, which was extended to January 19, 2028 through subsequent amendments. Subsequent amendments also amended the borrowing capacity up to $74,000 through March 31, 2024, and $50,000 thereafter through January 19, 2028. During the year ended December 31, 2023 the Company expensed revolver amendment fees and expenses of 138.

Interest on the Revolver accrues at the choice of rate of a) the Prime Rate as announced by Bank of America, (b) the Federal Funds Rate plus 0.50%, or (c) Bloomberg Short-term Bank Yield (“BSBY”) for a fixed term of 30, 90, or

180 days (at the election of the Company), plus the Applicable Margin. The Applicable Margin varies between 0.90% and 2.30% and depends on the Company's Fixed Charge Coverage Ratio and the type of rate chosen. Interest accrued on draws on the line of credit using the Prime Rate or the Federal Funds Rate plus 0.50% is calculated on a daily basis and is charged to the line of credit daily. Interest accrued on draws on the line using the BSBY rate is calculated on a daily basis, but is only charged to the line of credit at the end of the 30, 90, or 180 day fixed term period elected by the Company.

As of December 31, 2023 and 2022, the outstanding balance on the line of credit was $32,000 and $47,838, respectively. Of the total outstanding balance at December 31, 2023, $10,000 incurred interest at an annual rate of 8.06%, $14,000 incurred interest at an annual interest rate of 8.09% and $8,000 incurred interest at an annual interest rate of 8.08%. There is no requirement to pay down the line of credit balance until the Revolver Termination Date.

Borrowings under the Revolver are collateralized by the Company’s eligible trade receivables globally and eligible inventories in the United States and the Netherlands. Eligibility is determined by Bank of America and is based on the country of origin for the Company’s trade receivables and the type and nature of the Company’s inventory in the United States and the Netherlands. As of December 31, 2023 and 2022, the Company had unused borrowing capacity of $20,473 and $45,764 respectively, based on the borrowing base calculation as of the respective dates.

The Revolver loan agreement includes a number of affirmative and negative covenants. As of December 31, 2023, the Company was in material compliance with all such covenants.

Paycheck Protection Program

In May 2020, the Company entered into a $5,396 loan agreement under the Paycheck Protection Program (the “PPP”) with a 1% interest rate, which is administered by the U.S. Small Business Administration (the “SBA”). If companies meet certain requirements under the PPP, loans may be eligible for forgiveness. On October 18, 2022, the Company qualified for partial loan forgiveness from the SBA and $4,923 of the loan was forgiven. As of December 31, 2023, 2022 and 2021, the Company accrued interest of $4, $0 and $63, respectively, in relation to the Paycheck Protection Program Loan. During the year ended December 31, 2023, the Company repaid $196 of the PPP loan, including accrued interest of $4.

The promissory note and the loans payable, related parties, non-current are discussed in detail above in Note 13. Related Party Transactions.

(In thousands of U.S. dollars, except share and per share data, or otherwise noted)

Note 15. Commitments and Contingencies

Warranty

Changes in accrued warranty liabilities during the indicated periods are as follows:

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Beginning balance	$ 13,550	$ 11,202	$ 8,560
Provision	9,750	8,923	7,014
Utilized	(6,065)	(5,939)	(4,305)
Foreign currency adjustment	636	(636)	(67)
Ending balance	**$ 17,871**	**$ 13,550**	**$ 11,202**

In addition to the amount utilized as warranty expense presented in the table above, during 2023 the Company also incurred additional $5,052 of transportation, warehousing, and repair costs associated with increasing stock of refurbished inventory in response to the timing of warranty claims related to post pandemic sales.

The provision row in the table above represents additional amounts recorded for estimated future costs related to units under warranty as of each balance sheet date. The provision amount reflects the most current information available to the Company regarding key inputs into the estimated provision, including product failure rates and costs incurred to provide the warranty services.

Litigation

The Company may be subject to various legal proceedings and claims of which the outcomes are subject to significant uncertainty. The Company's policy is to assess the likelihood of any adverse judgments or outcomes related to legal matters, as well as ranges of probable losses. A determination of the amount of the liability required, if any, for these contingencies is made after an analysis of each known issue. A liability would be recognized and charged to operating expense when the Company determines that a loss is probable, and the amount can be reasonably estimated. Additionally, the Company will disclose contingencies for which a material loss is reasonably possible, but not probable.

As of December 31, 2023, and through the filing date of this report, the Company does not believe the resolution of any legal proceedings or claims of which it is aware or any potential actions will have a material effect on its financial position, results of operations or cash flows.

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Note 16. Leases

The Company currently maintains lease arrangements for corporate office space, centers to provide kindergarten, and student care services, and vehicles. The Company's leases generally have initial terms ranging from one to seven years and may include renewal options and rent escalation clauses. The Company is typically required to make fixed minimum rent payments relating to its right to use an underlying leased asset.

The Company has lease agreements which contain both lease and non-lease components, which the Company accounts for separately. Non-lease components include items such as common area maintenance, operating expenses, utilities, or other costs that are subject to fluctuation from period to period. The Company does not recognize short term leases that have a term of twelve months or less as right-of-use (or "ROU") assets or lease liabilities.

The table below presents certain information related to the Company's lease costs:

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Operating lease expense	$ 1,958	$ 1,818	$ 1,867
Short-term lease expense	340	110	198
Total lease cost	**$ 2,298**	**$ 1,928**	**$ 2,065**

Right-of-use assets and lease liabilities for operating leases were recorded in the consolidated balance sheets as follows:

	December 31,	
	2023	**2022**
Assets		
Operating lease right-of-use assets	$ 7,491	$ 3,110
Liabilities		
Current liabilities:		
Operating lease liability - current portion	4,412	1,788
Noncurrent liabilities:		
Operating lease liability, net of current portion	3,412	1,634
Total lease liability	**$ 7,824**	**$ 3,422**

The weighted-average remaining lease term for operating leases was 1.35 years and the weighted-average incremental borrowing rate was 5.03%.

Supplemental cash flow information related to the Company's leases was as follows:

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Operating cash flows for operating leases	$ 2,327	$ 2,084	$ 2,111

As of December 31, 2023, future minimum lease payments required under operating leases are as follows:

For the Year Ended December 31,	**Operating Leases**
2024	$ 4,887
2025	2,378
2026	868
2027	72
2028	24
Thereafter	—
Total minimum lease payments	8,229
Less: effects of discounting	(405)
Present value of future minimum lease payments	**$ 7,824**

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Note 17. Income Taxes

The provision for income taxes consists of the following:

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Current expense:			
United Kingdom	$ 513	$ 87	$ 71
United States	541	(313)	4,924
Foreign	97	722	297
Total current expense	1,151	496	5,292
Deferred benefit:			
United Kingdom	175	(1,231)	(5,198)
United States	(9,649)	(23,982)	(209)
Foreign	(833)	(558)	1,902
Total deferred benefit	(10,307)	(25,771)	(3,505)
Total provision for income taxes	**$ (9,156)**	**$ (25,275)**	**$ 1,787**

The Company's subsidiaries incorporated in the United Kingdom were subject to the UK corporation tax rate at 23.5% for the year ended December 31, 2023, and 19% for the years ended December 31, 2022, and 2021. The Company's subsidiaries incorporated in other jurisdictions were subject to income tax charges calculated according to the tax laws enacted or substantially enacted in the countries where they operate and generate income.

A reconciliation of the income tax expense calculated using the applicable federal statutory rate to the Company's actual income tax expense is as follows:

	For the Year Ended December 31,		
	2023	**2022**	**2021**
Tax expense (benefit) at statutory rate (23.5% for 2023; 19% for 2022-21)	$ (11,042)	$ (511)	$ 130
Effect of different tax rates in different jurisdictions	2,368	150	871
Permanent items	66	(1,024)	(1)
Effect of research and development credits	(900)	(1,831)	(270)
Change in tax rates	—	—	(3,572)
Change in valuation allowances	150	(21,928)	5,210
Other	202	(131)	(581)
	$ (9,156)	**$ (25,275)**	**$ 1,787**

Deferred income taxes are recognized for the future tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities. Significant components of the Company's net deferred tax assets are as follows:

	For the Year Ended December 31,	
	2023	**2022**
Deferred tax assets:		
Accrued expense	$ 5,669	$ 4,967
Deferred revenue	4,070	3,240
Inventories	936	1,165
Intangible assets	1,263	642
Fixed assets	1,226	1,381
R&D Costs	6,480	—
Losses and credit carryforwards	49,102	46,784
Lease liability	214	315
Other	1,059	62
Less: valuation allowance	(1,019)	(1,828)
Total deferred tax asset	$ 69,000	$ 56,728
Deferred tax liability:		
Intangible assets	(11,999)	(11,517)
Lease assets	(254)	(334)
Other	(367)	(250)
Total deferred tax liability	(12,620)	(12,101)
Net deferred tax assets	**$ 56,380**	**$ 44,627**

As discussed in detail in Note 3. Business Combinations, the Company recognized a deferred tax liability of $1,317 in conjunction with the Merger.

The Company recorded valuation allowances of $1,019 and $1,828 as of December 31, 2023 and 2022, respectively. As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of December 31, 2023, management determined that there is sufficient positive evidence to conclude that it is more likely than not that most deferred taxes were realizable. The valuation allowances that are provided on the deferred tax assets mainly relate to specific tax losses carried forward due to the uncertainty surrounding their realization. Based upon the more-likely-than-not standard of the accounting literature, those specific deferred tax assets and liabilities were not to be realized. If events occur in the future that improve the certainty of realization for these assets, an adjustment to the valuation allowances will be made and consequently income tax expenses will be reduced. The valuation allowance has no impact on its tax loss carryforwards position for tax purposes, and if the Company generates taxable income in future periods, the Company will be able to use its tax loss carryforwards to offset taxes due at that time.

As of December 31, 2023, the Company had loss carryforwards in the UK of approximately $97,460 which do not expire, in the US of approximately $96,800, of which $9,397 expire in 2038 if not utilized and $87,403 which do not expire, in France of approximately $167 which do not expire, in Poland of approximately $401 which expire in 2029 if not utilized, in China of approximately $1,010 which expire in 2026 if not utilized, in India of approximately $4 which expire in 2027 if not utilized and in Thailand of approximately $3,959 which expire in 2029 if not utilized. In addition, there is approximately $1,967 of US state loss carryforwards which will expire on various dates through 2043 if not utilized.

The Company has no uncertain tax positions as of December 31, 2023 and 2022, respectively. The Company’s policy is to recognize interest and penalties associated with uncertain tax positions as a component of income tax expense. As of December 31, 2023 and 2022, the Company has no accrued interest or penalties related to uncertain tax positions.

As of December 31, 2023 and 2022, the Company has not recorded a deferred tax liability for temporary differences relating to its undistributed earnings of its subsidiaries since such earnings are considered indefinitely reinvested or may be remitted tax-free upon distribution. The unrecorded DTL on the Company's undistributed earnings amounted to approximately $41,500 and $61,800 as of December 31, 2023 and 2022, respectively.

Note 18. Employee Benefits Plan

The Company contributes to a number of defined contribution plans which provide benefits based upon the contributions made to the plans. The assets of the plans are held separately from those of the Company in independently administered funds. The contribution cost incurred by the Company to the plan amounted to $2,408, $2,107, and $1,456 for the years ended December 31, 2023, 2022, and 2021, respectively.

Note 19. Significant Concentrations

One customer represented $84,262, $139,303, and $95,991 (or 20%, 24%, and 21%) of revenue for the years ended December 31, 2023, 2022, and 2021, respectively. Another customer represented $45,576 (or 11%) of revenue for the year ended December 31, 2023. All the customer's that represented more than 10% of revenue were part of the eLMTree operating segment. No other customers represented more than 10% of revenue for the years ended December 31, 2023, 2022, and 2021.

Two suppliers represented $178,385 (or 57%) of cost of sales for the year ended December 31, 2023. Three suppliers represented $302,533 (or 69%) of cost of sales for the year ended December 31, 2022 and two suppliers represented $233,634 (or 76%) of cost of sales for the years ended December 31, 2021. No other suppliers represented more than 10% of cost of sales for the years ended December 31, 2023, 2022, and 2021.

One customer represented $13,476 (or 21%) of accounts receivable as of December 31, 2023. Two customers represented $17,027 (or 28%) of accounts receivable as of December 31, 2022. No other customers represented more than 10% of accounts receivable as of December 31, 2023 and 2022.

Note 20. Discontinued Operations

The following table provides a reconciliation of the Company's net income from discontinued operations presented in the consolidated statements of operations for the years ended December 31, 2023, 2022, and 2021.

	For the Year Ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Revenue	$ —	$ 560	$ 1,488
Cost of sales	(119)	3,460	4,483
Gross profit (loss)	119	(2,900)	(2,995)
Operating expenses:			
General and administrative	900	1,400	946
Research and development	41	6,224	2,537
Sales and marketing	1	2,113	1,482
Total operating expenses	942	9,737	4,965
Operating loss from discontinued operations	(823)	(12,637)	(7,960)
Total other expense (income) from discontinued operations	—	—	—
Loss from discontinued operations, before income taxes	(823)	(12,637)	(7,960)
Income tax benefit (expense)	—	—	—
Net loss from discontinued operations	**$ (823)**	**$ (12,637)**	**$ (7,960)**

Note 21. Subsequent Events

The Company has evaluated all known events and transactions that occurred after December 31, 2023 through the filing of this Annual Report on Form 20-F, and determined that that no subsequent events have occurred that would require recognition or disclosure in these financial statements, except as disclosed elsewhere in these notes to the consolidated financial statements. and the following:

In January 2024, the Company's Board of Directors approved the Mynd.ai Equity Incentive Plan (the "Incentive Plan"). Under the Incentive Plan, awards may be granted to officers, employees and consultants of the Company or any of its affiliates in the form of stock options, restricted shares, restricted share units, stock appreciation rights, performance stock, performance stock units and other awards. The maximum aggregate number of ordinary shares that was initially authorized for issuance under the Incentive Plan is 54,777,338, together with a corresponding number of American Depositary Shares. The number of ordinary shares available for issuance under the Incentive Plan will also include an automatic annual increase on the first day of each fiscal year beginning in 2025, equal to five percent (5%) of the total number of the Company's ordinary shares outstanding, on a fully diluted basis, on the last day of the Company's immediately preceding fiscal year.

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ITEM 19. EXHIBITS

Exhibit Index	Description of Document
1.1*	Sixth Amended and Restated Memorandum and Articles of Association of the Registrant
2.1	Registrant's Specimen American Depositary Receipt (incorporated herein by reference to the 424(b)(3) filed on December 13, 2023 (File No. 333-220440)).
2.2*	Registrant's Specimen Certificate for Ordinary Shares.
2.3	Form of Deposit Agreement, among the Registrant, the depositary and the holders and beneficial owners of the American Depositary Shares issued thereunder (incorporated herein by reference to Exhibit 4.3 to the Form F-1/A filed on September 13, 2017 (File No. 333-220259)).
2.4	Form of Amendment No. 1 to the Deposit Agreement, among the Registrant, the depositary and holders and beneficial owners of the American Depositary Shares issued thereunder (incorporated by reference to Exhibit (a)(i) of post-effective amendment No. 1 to the registration statement on Form F-6 filed on October 5, 2022 (file No. 333-220440)).
2.5	Description of American Depositary Shares of the Registrant (incorporated herein by reference to Exhibit 2.6 to the Form 20-F filed on April 28, 2023 (File No. 001-38203)).
2.6*	Description of Ordinary Shares of the Registrant
2.7*	Senior Secured Convertible Note Purchase Agreement, dated April 18, 2023, by and among the Company, Best Assistant, and Nurture Education (Cayman) Limited.
2.8*	Convertible Promissory Note, dated December 13, 2023, made in favor of Nurture Education (Cayman) Limited
2.9*	Form of Share Charge Agreement (included as Exhibit B to the Senior Secured Convertible Note Purchase Agreement filed as Exhibit 2.7 to this Annual Report on Form 20-F).
4.1*	Mynd.ai, Inc. Equity Incentive Plan.
4.2*	Form of Indemnification Agreement between the Registrant and its directors and officers.
4.3*	Registration Rights Agreement between the Registrant and NetDragon Websoft Inc., dated December 12, 2023.
4.4*	Registration Rights Agreement between the Registrant and Nurture Education Cayman Limited, dated December 13, 2023.
4.5	Agreement and Plan of Merger, dated as of April 18, 2023, by and among Gravitas Education Holdings, Inc., Bright Sunlight Limited, Best Assistant Education Online Limited, and solely for purposes of certain named sections thereof, NetDragon Websoft Holdings Limited (incorporated herein by reference to Annex A of Exhibit 99.2 to the current report on Form 6-K filed on April 18, 2023 (File No. 001-38203)).
4.6*	Omnibus Amendment and Waiver, dated October 18, 2023, by and among Gravitas Education Holdings, Inc., Bright Sunlight Limited, Best Assistant Education Online Limited, NetDragon Websoft Holdings Limited and certain sellers and purchasers named therein.
4.7*	Second Omnibus Amendment and Waiver, dated December 7, 2023, by and among Gravitas Education Holdings, Inc., Bright Sunlight Limited, Best Assistant Education Online Limited, NetDragon Websoft Holdings Limited and certain sellers and purchasers named therein.
4.8*	Loan and Security Agreement dated as of June 25, 2018, by and among certain of the Company's subsidiaries, the Lenders named therein and Bank of America, N.A. ("Loan and Security Agreement")
4.9*	First Amendment and Limited Consent to Loan and Security Agreement dated as of August 6, 2018
4.10*	Second Amendment to Loan and Security Agreement dated as of May 24, 2019
4.11*	Third Amendment to Loan and Security Agreement dated as of December 20, 2021
4.12*	Fourth Amendment to Loan and Security Agreement dated as of March 30, 2022
4.13*	Fifth Amendment to Loan and Security Agreement dated as of January 19, 2023
4.14*	Sixth Amendment to Loan and Security Agreement dated as of March 2, 2023
4.15*	Seventh Amendment to Loan and Security Agreement dated as of October 18, 2023
8.1*	Significant Subsidiaries of the Registrant.
11.1*	Mynd.ai Insider Trading Policy
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Letter from Friedman LLP to the Securities and Exchange Committee (incorporated herein by reference to Exhibit 15.7 to the Form 20-F filed on April 28, 2023 (File No. 001-38203))
15.2*	Consent letter from Marcum Asia CPAs LLP
97.1*	Compensation Recovery Policy
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document);

*Filed with this Annual Report on Form 20-F.

**Furnished with this Annual Report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Mynd.ai, Inc.

By:	/s/ Vin Riera
Name:	Vin Riera
Title:	Chief Executive Officer

Date: March 26, 2024

Exhibit 1.1

Registrar of Companies
Government Administration Building
133 Elgin Avenue
George Town
Grand Cayman

Gravitas Education Holdings, Inc. (ROC #180256) (the "**Company**")

TAKE NOTICE that at the Extraordinary General Meeting of the shareholders of the Company held on 11 September 2023, the following special resolutions were passed on 11 September 2023 and become effective on 13 December 2023:

PROPOSALS

The Chairman of the Meeting demanded that resolutions put to the vote of the Meeting shall be decided by way of a poll, and the following proposals were voted on at the Meeting by way of a poll:

as special resolutions:

Proposal No. 1

THAT the agreement and plan of merger, dated as of April 18, 2023, as it may be amended from time to time (the "Merger Agreement") (such Merger Agreement being in the form attached as Annex A to the proxy statement accompanying the notice of extraordinary general meeting dated July 31, 2023 and produced and made available for inspection at the extraordinary general meeting), by and among the Company, Bright Sunlight Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of the Company ("Merger Sub"), Best Assistant Education Online Limited, a Cayman Islands exempted company ("Best Assistant") and a controlled subsidiary of NetDragon Websoft Holdings Limited (HKEX: 0777, "NetDragon"), a Cayman Islands exempted company, and solely for purposes of certain named sections thereof, NetDragon, pursuant to which Best Assistant will form a Cayman Islands exempted company limited by shares ("eLMTree") as its wholly owned subsidiary and transfer the education business of NetDragon outside of the PRC to eLMTree, and Merger Sub will merge with and into eLMTree with eLMTree continuing as the surviving company and becoming a wholly owned subsidiary of the Company (the "Merger"), and any and all transactions contemplated by the Merger Agreement, including the Merger, be authorized and approved;

Proposal No. 2

THAT, subject to and conditional upon the Merger becoming effective, the fifth amended and restated memorandum and article of association of the Company be amended and restated by their deletion in their entirety and the substitution of in their place of the sixth amended and restated memorandum and articles of association of the Company (the "A&R MAA") (in the form attached as Annex C to the proxy statement accompanying the notice of extraordinary general meeting dated July 31, 2023 and produced and made available for inspection at the extraordinary general meeting) effective immediately prior to the effective time (the "Effective Time") of the Merger;

Proposal No. 3

THAT, subject to and conditional upon the Merger becoming effective, the name of the Company be changed from "Gravitas Education Holdings, Inc." to "Mynd.ai, Inc." effective immediately prior to the Effective Time (the "Name Change");

Proposal No. 4

THAT, subject to and conditional upon the Merger becoming effective, immediately prior to the Effective Time, the authorized share capital of the Company be varied as follows (the "Variation of Share Capital"): (a) the authorized share capital of the Company shall be varied to US$1,000,000 divided into 1,000,000,000 shares comprising of (i) 990,000,000 ordinary shares of a par value of US$0.001 each (each an "Ordinary Share") and (ii) 10,000,000 shares of a par value of US$0.001 each of such class or classes (however designated) as the board of directors may determine in accordance with the A&R MAA, and (b) all Class A ordinary shares of the Company prior to the adoption of the A&R MAA, par value US$0.001 per share ("Class A Ordinary Shares") and all Class B ordinary shares of the Company prior to the adoption of the A&R MAA, par value US$0.001 per share ("Class B Ordinary Shares") in the authorized share capital of the Company (including all issued and outstanding Class A Ordinary Shares and Class B Ordinary Shares, and all authorized but unissued Class A Ordinary Shares and Class B Ordinary Shares) shall be re-designated as Ordinary Shares;

RESULTS OF VOTING

The Inspector of Election announced that the votes had been counted, and the results were as follows:

Proposal No. 1

Exhibit 1.1

The result was 82,065,527 votes for the resolution, 149,700 votes against and 1,361,500 votes abstained. The number of votes for accounts for 98.2% of the voting power of the issued and outstanding shares present and entitled to vote at this meeting and Proposal No. 1 was duly passed as a special resolution.

Proposal No. 2

The result was 82,065,507 votes for the resolution, 149,720 votes against and 1,361,500 votes abstained. The number of votes for accounts for 98.2% of the voting power of the issued and outstanding shares present and entitled to vote at this meeting and Proposal No. 2 was duly passed as a special resolution.

Proposal No. 3

The result was 82,065,507 votes for the resolution, 149,700 votes against and 1,361,520 votes abstained. The number of votes for accounts for 98.2% of the voting power of the issued and outstanding shares present and entitled to vote at this meeting and Proposal No. 3 was duly passed as a special resolution.

Proposal No. 4

The result was 82,065,507 votes for the resolution, 149,720 votes against and 1,361,500 votes abstained. The number of votes for accounts for 98.2% of the voting power of the issued and outstanding shares present and entitled vote at this meeting and Proposal No. 4 was duly passed as a special resolution.

_____

Dori King
Corporate Administrator for and on behalf of
Maples Corporate Services Limited

Dated this 13th day of December 2023

THE COMPANIES ACT (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SIXTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

MYND.AI, INC.

(adopted by a Special Resolution passed on September 11, 2023 and effective on December 13, 2023)

1. The name of the Company is Mynd.ai, Inc.

2. The Registered Office of the Company will be situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Act.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by such Shareholder.

7. The authorised share capital of the Company is US$1,000,000 divided into 1,000,000,000 shares comprising of (i) 990,000,000 Ordinary Shares of a par value of US$0.001 each and (ii) 10,000,000 shares of a par value of US$0.001 each of such class or classes (however designated) as the board of directors may determine in accordance with Article 9 of the Articles. Subject to the Companies Act and the Articles, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorised share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company has the power contained in the Companies Act to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

9. Capitalised terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

THE COMPANIES ACT (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
SIXTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
MYND.AI, INC.

(adopted by a Special Resolution passed on September 11, 2023 and effective on December 13, 2023)

TABLE A

The regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Act shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"ADS" means an American Depositary Share representing the Ordinary Shares;

"Affiliate" means in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

"Articles" means these articles of association of the Company, as amended or substituted from time to time;

"Best Assistant Bond"	means the secured exchangeable redeemable bonds due on March 9, 2025 in the principal amount of US$25 million issued by Best Assistant Education Online Limited to Nurture Education (Cayman) Limited on December 13, 2023, pursuant to the Bond and Warrant Purchase Agreement dated November 10, 2019 (as amended from time to time) entered into by NetDragon, Best Assistant Education Online Limited, Nurture Education (Cayman) Limited and the other parties named therein and the terms and conditions governing such bonds;
rd" and **"Board of tors"** and **ctors"**	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
irman"	means the chairman of the Board of Directors;
ss" or "Classes"	means any class or classes of Shares as may from time to time be issued by the Company;
mission"	means the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
pany"	means Mynd.ai, Inc., a Cayman Islands exempted company;
panies Act"	means the Companies Act (as amended) of the Cayman Islands and any statutory amendment or re-enactment thereof;
pany's Website"	means the main corporate/investor relations website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company with the Commission in connection with its initial public offering of ADSs, or which has otherwise been notified to Shareholders;
ignated Stock ange"	means the stock exchange in the United States on which any Shares and ADSs are listed for trading;
ignated Stock ange Rules"	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
tronic"	has the meaning given to it in the Electronic Transactions Act (as amended) and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
tronic communication"	means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
tronic sactions Act"	means the Electronic Transactions Act (as amended) of the Cayman Islands and any statutory amendment or re-enactment thereof;
tronic record"	has the meaning given to it in the Electronic Transactions Act and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
norandum of ciation"	means the memorandum of association of the Company, as amended or substituted from time to time;
Dragon"	means NetDragon Websoft Holdings Limited;

inary Resolution"	means a resolution: (a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company held in accordance with these Articles; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
inary Share"	means an Ordinary Share of a par value of US$0.001 in the capital of the Company, designated as an Ordinary Share and having the rights provided for in these Articles;
l up"	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
son"	means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
ister"	means the register of Members of the Company maintained in accordance with the Companies Act;
istered Office"	means the registered office of the Company as required by the Companies Act;
l"	means the common seal of the Company (if adopted) including any facsimile thereof;
retary"	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
urities Act"	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
re"	means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
reholder" or nber"	means a Person who is registered as the holder of one or more Shares in the Register;
re Premium unt"	means the share premium account established in accordance with these Articles and the Companies Act;
ıed"	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

cial Resolution"	means a special resolution of the Company passed in accordance with the Companies Act, being a resolution: (a) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;
ısury Share"	means a Share held in the name of the Company as a treasury share in accordance with the Companies Act; and
ed States"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or reenactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;

(h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;

(i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Act; and

(j) Sections 8 and 19(3) of the Electronic Transactions Act shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

   (a) issue, allot and dispose of Shares (including, without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

   (b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

   (c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by a Special Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 17, the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

   (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;

(b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

(c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

(d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

(e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;

(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

12. [RESERVED]

13. [RESERVED]

14. [RESERVED]

15. [RESERVED]

16. [RESERVED]

MODIFICATION OF RIGHTS

17. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied with the consent in writing of the holders of two-thirds of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

18. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied by, inter alia, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

19. Every Person whose name is entered as a Member in the Register may, without payment and upon its written request, request a certificate within two calendar months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that Person, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the Register.

20. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

21. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of one dollar (US$1.00) or such smaller sum as the Directors shall determine.

22. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and

the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

23. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

24. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

25. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it, including but not limited to dividends.

26. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen calendar days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

27. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

28. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

29. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

30. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

31. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the

actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

32. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

33. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

34. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

35. If a Shareholder fails to pay any call or instalment of a call in respect of any Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

36. The notice shall name a further day (not earlier than the expiration of fourteen calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

37. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

38. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

39. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

40. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the certificate shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

41. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed

of and that Person shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

43. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

44. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.

(b) The Directors may also decline to register any transfer of any Share unless:

(i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one Class of Shares;

(iii) the instrument of transfer is properly stamped, if required;

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and

(v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

45. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register closed for more than thirty calendar days in any calendar year.

46. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three calendar months after the date on which the transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

46A. Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of Shares, nor may they suspend registration of any transfer of Shares, where such transfer is executed by or in favor of the holder(s) of the Best Assistant Bond. A Share transfer form executed by NetDragon and such holder(s) of the Best Assistant Bond certifying that the transfer was so executed shall be conclusive evidence of such facts.

TRANSMISSION OF SHARES

47. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.

48. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

49. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

50. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

51. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

52. The Company may by Ordinary Resolution:

(a) increase its share capital by new Shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(c) subdivide its Shares, or any of them, into Shares of an amount smaller than that fixed by the Memorandum, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

(d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

53. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

54. Subject to the provisions of the Companies Act and these Articles, the Company may:

(a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution;

(b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner and terms as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorised by these Articles; and

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Act, including out of capital.

55. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

56. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

57. The Directors may accept the surrender for no consideration of any fully paid Share.

TREASURY SHARES

58. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.

59. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

GENERAL MEETINGS

60. All general meetings other than annual general meetings shall be called extraordinary general meetings.

61. (a) The Company may (but shall not be obliged to) in each calendar year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

62. (a) The Chairman or a majority of the Directors may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Shareholders' requisition is a requisition of Members holding at the date of deposit of the requisition Shares which carry in aggregate not less than one-third (1/3) of all votes attaching to all issued and outstanding Shares of the Company that as at the date of the deposit carry the right to vote at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If there are no Directors as at the date of the deposit of the Shareholders' requisition, or if the Directors do not within twenty-one calendar days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one calendar days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a

general meeting, but any meeting so convened shall not be held after the expiration of three calendar months after the expiration of the said twenty-one calendar days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

63. At least ten (10) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting, by two-thirds (2/3rd) of the Shareholders having a right to attend and vote at the meeting, present in person or by proxy or, in the case of a corporation or other non-natural person, by its duly authorised representative or proxy.

64. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

65. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. One or more Shareholders holding Shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to all Shares in issue and entitled to vote at such general meeting, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, shall be a quorum for all purposes.

66. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.

67. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

68. The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company.

69. If there is no such Chairman of the Board of Directors, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, any Director or Person nominated by the Directors shall preside as chairman of that meeting, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

70. The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business

left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

71. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

72. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or any Shareholder present in person or by proxy, and unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

73. If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

74. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Companies Act. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

75. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

76. Each Ordinary Share shall entitle the holder thereof to one (1) vote on all matters subject to vote at general meetings of the Company. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall, at a general meeting of the Company, each have one vote as holder of Ordinary Share and on a poll every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall have one vote for each Ordinary Share of which he is the holder.

77. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

78. Shares carrying the right to vote that are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person may vote in respect of such Shares by proxy.

79. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

80. On a poll votes may be given either personally or by proxy.

81. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

82. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

83. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

(a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited at such other time (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

84. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

85. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

86. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DEPOSITARY AND CLEARING HOUSES

87. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders provided that, if more than one Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this

Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation, including the right to vote individually on a show of hands.

DIRECTORS

88. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) Directors, the exact number of Directors to be determined from time to time by the Board of Directors.

(b) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

(c) The Company may by Ordinary Resolution appoint any person to be a Director.

(d) The Board may, by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, appoint any person as a Director, to fill a vacancy on the Board arising from the office of any Director being vacated in any of the circumstances described in Article 109. In the event of a vacancy arising from the office of an independent director being vacated, the Board may only appoint another independent director to fill such vacancy.

(e) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or reappointment by the Board.

89. A Director may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.

90. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company and determine on various corporate governance related matters of the Company as the Board shall determine by resolution of Directors from time to time.

91. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.

92. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

93. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

94. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

95. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

96. Subject to the Companies Act, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

97. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officer, one or more other executive officers, president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

98. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

99. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

100. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an "Attorney" or "Authorised Signatory", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

101. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

102. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.

103. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

104. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

105. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

106. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

107. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be

given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the

same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

108. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

109. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or

(e) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

110. The Directors may meet together (either within or outside the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

111. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

112. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

113. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. A Director may vote in respect of any contract or

transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.

114. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending

Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

115. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

116. The Directors shall cause minutes to be made for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

117. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

118. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

119. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

120. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding

the meeting, the committee members present may choose one of their number to be chairman of the meeting.

121. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

122. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

123. A Director who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

124. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

125. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

126. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies or for equalising dividends or for any other purpose to which those funds may be properly applied, and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

127. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.

128. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

129. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

130. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.

131. No dividend shall bear interest against the Company.

132. Any dividend unclaimed after a period of six calendar years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

133. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

134. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

135. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

136. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

137. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

138. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

139. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

140. The Directors in each calendar year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Act and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

141. Subject to the Companies Act, the Directors may:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), which is available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to the resolution.

142. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise an amount standing to the credit of reserves (including the share premium account, capital redemption reserve and profit and loss account) or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

(a) employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;

(b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or

(c) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

SHARE PREMIUM ACCOUNT

143. The Directors shall in accordance with the Companies Act establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

144. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Act, out of capital.

NOTICES

145. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or a recognized courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic

mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company's Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

146. Notices sent from one country to another shall be sent or forwarded by prepaid airmail or a recognized courier service.

147. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

148. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic means, shall be deemed to have been served immediately (i) upon the time of the transmission to the electronic mail address supplied by the Shareholder to the Company or (ii) upon the time of its placement on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

149. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the Register as the holder of

the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

150. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

151. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in

the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

152. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

153. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

154. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, willful default or fraud.

FINANCIAL YEAR

155. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each calendar year and shall begin on January 1st in each calendar year.

NON-RECOGNITION OF TRUSTS

156. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Act requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

157. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Act, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

158. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

159. Subject to the Companies Act, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

160. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty calendar days in any calendar year.

161. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within ninety calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

162. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

163. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the

time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

164. The Directors, or any service providers (including the officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

Exhibit 2.2

Mynd.ai, Inc. - Ordinary Shares

(Incorporated under the laws of the Cayman Islands)

Number: Shares

Share capital is US$1,000,000 divided into 1,000,000,000 shares comprising of (i) 990,000,000 Ordinary Shares of par value US$0.001 each,
(ii) 10,000,000 shares of a par value of US$0.001 each of such class or classes
(however designated) as the board of directors may determine in accordance with the A&R MAA

THIS IS TO CERTIFY THAT

is the registered holder of

Shares in the above-named Company subject to the Memorandum and Articles of Association thereof. EXECUTED for and on

behalf of the said Company on By:

Director ----------

Exhibit 2.6

Description of Ordinary Shares

Ordinary Shares. Our ordinary shares are issued in registered form and are issued when registered in our register of shareholders. We may not issue shares to bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. In addition, our shareholders may declare dividends by ordinary resolution, but no dividend shall exceed the amount recommended by our directors. Our articles of association provide that dividends may be declared and paid out of the funds of our company lawfully available therefor, which under Cayman law includes our profits, realized or unrealized, and any reserve set aside from funds legally available for distribution. Under the laws of the Cayman Islands, our company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Voting at any shareholders' meeting is by show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands). A poll may be demanded by the chairman of such meeting or any shareholder present in person or by proxy at the meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes cast by such shareholders as, being entitled to do so, voting at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast by such shareholders as, being entitled to do so, voting at a general meeting. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association. Holders of the ordinary shares may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairman of our board or a majority of our board of directors. Advance notice of at least ten calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or representing by proxy, representing not less than one-third of all votes attaching to all of our shares in issue and entitled to vote.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association provide that upon the requisition of shareholders representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings as at the date of the deposit, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or such other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required; and
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four.

- a fee of such maximum sum as the New York Stock Exchange may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three calendar months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers by electronic means or by any other means in accordance with the rules of the New York Stock Exchange, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided always that the registration of transfers shall not be suspended nor the register closed for more than 30 calendar days in any calendar year.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay the whole of the share capital, the assets will be distributed so that, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders in respect of any monies unpaid on their shares in a notice served to such shareholders at least 14 calendar days prior to the specified time of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by either our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders or are otherwise authorized by our memorandum and articles of association. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time, our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may be materially adversely varied with the consent in writing of the holders of two-thirds of the issued shares of that class or series or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class or series. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be materially adversely varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our memorandum and articles of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our memorandum and articles of association also authorizes our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, our board of director may from time to time determine whether the accounts and books of the Company shall be open to the inspection of our shareholders.

Anti-Takeover Provisions. Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company with limited liability incorporated under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- which does not hold a license to carry on business in the Cayman Islands under any applicable law, is not required to open its register of members for inspection;
- does not have to hold an annual general meeting unless the company's articles of association provide otherwise;
- may issue shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 30 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company.

Exhibit 2.7

SENIOR SECURED CONVERTIBLE NOTE PURCHASE AGREEMENT

This Senior Secured Convertible Note Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement") is made as of April 18, 2023, by and between Gravitas Education Holdings, Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), Best Assistant Education Online Limited, an exempted company incorporated with limited liability under the Laws of the Cayman Islands ("Best Assistant") solely for the purpose of Section 9.6 hereof, and the purchaser listed on Exhibit A attached to this Agreement (the "Purchaser" and, together with the Company, the "Parties").

RECITALS

WHEREAS, Purchaser desires to purchase from the Company and the Company desires to issue a senior secured convertible promissory note in substantially the form attached to this Agreement as Exhibit B, in the original principal amount set forth on Exhibit A hereto (the "Note"), which shall be convertible on the terms stated therein into the Company's ADSs, indirectly through the conversion into Ordinary Shares (as defined below) (the ADSs issued or issuable upon conversion of the Note into the Underlying Shares (as defined below) and delivery of those Underlying Shares to the Depositary are referred to herein as the "Conversion ADSs" and, together with the Note, the "Securities"). As used herein, "Ordinary Shares" means the ordinary shares, par value US$0.001 per share, of the Company, the rights and privileges of which are as set forth in the Company A&R MAA, "ADS" means an American Depositary Share representing twenty such Ordinary Share, "ADR" means an American Depositary Receipt evidencing the ADSs and "Underlying Shares" means the Ordinary Shares underlying the ADSs.

WHEREAS, contemporaneously with the execution and delivery of this Agreement, the Company, on the one hand, and Rainbow Companion, Inc. (the "Divestiture Purchaser"), on the other hand, are entering into that certain share purchase agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Divestiture Agreement"), dated as of the date hereof, pursuant to which the Divestiture Purchaser will purchase from the Company, and the Company will sell to the Divestiture Purchaser, the Company's education businesses in PRC (the "Divested Business"; and such purchase and sale, the "Divestiture") pursuant to the terms thereof.

NOW THEREFORE, on and subject to the terms hereof, the Parties hereto agree as follows:

ARTICLE I DEFINED TERMS

The terms defined in this Article I (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings specified in this Article I. The terms defined in this Article I include the plural as well as the singular.

"ADR" shall have the meaning specified in the recitals. "ADS" shall have the meaning specified in the

recitals.

"Affiliated Entity" shall have the meaning specified in Section 4.2.

"Agency Agreement" means the Agency Agreement between the Company and Wilmington Savings Fund Society, FSB, as Agent, to be mutually agreed to by the Company and the Agent reasonably and in good faith, as may be amended, restated, supplemented or otherwise modified from time to time.

"Agreement" shall have the meaning specified in the preamble.

"Anti-Corruption Laws" shall have the meaning specified in Section 4.18.

"Anti-Money Laundering Laws" shall have the meaning specified in Section 4.20. "Best Assistant" shall have the meaning

specified in the preamble.

"BOA" means Bank of America N.A.

"BOA Consent" means the consent from BOA with respect to the Guaranty and Share Charge Agreement pursuant to the term of the BOA Loan Agreements.

"Bond Documents" means this Agreement, the Note, Agency Agreement, the Guaranty, the Registration Rights Agreement and the Share Charge Agreement.

"Cayman Companies Act" means the Companies Act (as revised) of the Cayman Islands.

"CB Restructuring Documents" means Deed of Amendment, Conditional Waiver and Redemption entered into by Best Assistant, NetDragon, Nurture Education (Cayman) Limited and certain parties thereto on April 18, 2023 and all the agreements, documents, instruments and certificates entered into in connection therewith and any and all exhibits and schedules thereto.

"Chargor" means eLMTree, as "Chargor" pursuant to the Share Charge Agreement. "Closing" shall have the meaning specified in Section

2.3.

"Closing Date" shall have the meaning specified in Section 2.3. "Company" shall have the meaning specified in the

preamble.

"Company A&R MAA" shall have the meaning of "GEHI A&R MAA" as specified in the Merger Agreement.

"Company Disclosure Letter" shall have the meaning specified in Section 4.

"Company's Knowledge" or "Knowledge of the Company" shall have the meaning specified in Section 4.11.

"Company Reports" shall have the meaning specified in Section 4.1. "Conversion ADSs" shall have the meaning specified in

the recitals. "Depositary" means Citibank, N.A., as depositary under the Deposit Agreement.

"Deposit Agreement" means the Deposit Agreement dated as of September 26, 2017 among the Company, Citibank, N.A., as depositary, and the owners and holders from time to time of the ADSs issued thereunder, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Divested Business" shall have the meaning specified in the recitals. "Divestiture" shall have the meaning specified in

the recitals. "Divestiture Agreement" shall have the meaning specified in the recitals. "Divestiture Purchasers" shall

have the meaning specified in the recitals.

"Divested Subsidiaries" means, collectively, Precious Companion Group Limited, a limited company incorporated in Hong Kong, and the Business Subsidiaries (as defined in the Divestiture Agreement).

"eLMTree" shall the meaning given to it in the Merger Agreement.

"BOA Loan Agreements" shall mean the Loan and Security Agreement dated as of June 25, 2018 by and among Promethean, Promethean Inc., Promethean Limited and BOA (including all annexes, exhibits and schedules thereto and documents referenced therein), as from time to time amended, restated, supplemented or otherwise modified.

"Enforceability Exceptions" shall have the meaning specified in Section 3.2.

"Existing Bonds" means the secured convertible and exchangeable redeemable bonds issued by Best Assistant to Purchaser on March 9, 2020.

"Evaluation Date" shall have the meaning specified in Section 4.21.

"Exchange Act" means the United States Securities and Exchange Act of 1934, as amended. "Guarantor" or "Promethean" means

167Promethean World Limited.

"Guaranty" means the guaranty made by Guarantor in favor of the Purchaser and in the form attached as Exhibit D, as may be amended, restated, supplemented or otherwise modified from time to time.

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"Intellectual Property Rights" shall have the meaning specified in Section 4.17. "Issue Price" shall have the meaning specified in Section 2.1.

"Material Adverse Effect" shall have the meaning specified in Section 4.2.

"Material Contract" shall have the meaning of "GEHI Material Contract" as specified in the Merger Agreement.

"Material Permits" shall have the meaning specified in Section 4.12.

"Merger Agreement" shall mean the Agreement and Plan of Merger, dated as of April 18, 2023, by and among the Company, Bright Sunlight Limited, NetDragon, Best Assistant and certain parties thereto, as may be amended, restated, supplemented or otherwise modified from time to time.

"NetDragon" means NetDragon Websoft Holdings Limited. "Note" shall have the meaning specified in the recitals. "OFAC" shall have the meaning specified in Section 4.19.

"Ordinary Shares" shall have the meaning specified in the recitals. "Parties" shall have the meaning specified in the recitals. "Person" shall have the meaning specified in Section 4.19.

"PRC" shall have the meaning given to it in the Merger Agreement. "Purchase" shall have the meaning specified in Section 2.3. "Purchaser" shall have the meaning specified in the preamble. "Reference Date" shall mean January 1, 2020.

"Regulation D" shall have the meaning specified in Section 3.3.

"Registration Rights Agreement" means the Registration Rights Agreement, to be entered into by and between the Company and the Purchaser, to be mutually agreed to by the Company and the Purchaser reasonably and in good faith, as may be amended, restated, supplemented or otherwise modified from time to time.

"Sanctions" shall have the meaning specified in Section 4.19. "SEC" shall have the meaning specified in Section 3.7.

"Securities" shall have the meaning specified in the recitals. "Securities Act" shall have the meaning specified

in Section 3.3.

"Share Charge Agreement" means the share charge agreement between eLMTee and Wilmington Savings Fund Society, FSB in respect of a charge over shares in Promethean in the form attached hereto as Exhibit C, as may be amended, restated, supplemented or otherwise modified from time to time.

"Share Incentive Plans" means the 2009 Share Incentive Plan and 2017 Share Incentive Plan both adopted by the Company.

"Subsidiary" shall mean, with respect to any Person, any other Person of which: (a) if a corporation, a majority of the total voting power of shares of capital stock or share capital entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; (b) if a partnership, limited liability company or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof; or (c) in any case, such Person controls the management thereof. For the avoidance of doubt, the Company's Subsidiaries shall not include any Divested Subsidiaries.

"Third-Party Expenses" shall have the meaning specified in Section 9.6. "Underlying Shares" shall have the meaning

specified in the recitals. "U.S. GAAP" shall have the meaning specified in Section 4.9.

ARTICLE II ISSUANCE OF NOTE

Section 2.1 Issuance of Note. Subject to the terms set forth in this Agreement, at the Closing (as defined herein), the Company agrees to issue the Note, and Purchaser agrees to purchase a Note with the principal amount set forth opposite Purchaser's name on Exhibit A at the issue price of 100% of the principal amount of such Note (the "Issue Price").

Section 2.2 Interest Applicable. Interest shall accrue and be payable on the principal amount of the Note on the terms set forth in the form of Convertible Promissory Note attached hereto as Exhibit B.

Section 2.3 Closing. Subject to the satisfaction or waiver of all closing conditions specified in Sections 6.1 and 6.2, the closing (the "Closing") of the issuance and subscription of the Note (the "Purchase") shall occur on a date on which closing of the transactions

contemplated under the Merger Agreement occur (the "Closing Date"). At the Closing, (i) the Purchaser shall

deliver or cause to be delivered to the Company the Issue Price to the bank account of the Company designated by the Company in writing, and (ii) the Company shall issue to the Purchaser the Note.

Section 2.4 Maturity, Payment and Conversion. The provisions pertaining to maturity, payment, conversion and acceleration of the Note are set forth in the form of Note attached hereto as Exhibit B.

Section 2.5 Subordination. The Note and the interest accrued under the Note are senior secured obligations of the Company and will rank *pari passu* in right of payment with all other senior and unsubordinated obligations of the Company. The Notes will at all times rank *pari passu* without any preference among themselves.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Purchaser hereby makes the following representations and warranties, each of which is and shall be true and correct on the date hereof and at the Closing, to the Company, and all such representations and warranties shall survive the Closing.

Section 3.1 Power and Authorization. Purchaser is duly organized, validly existing and in good standing, and has the power, authority and capacity to execute this Agreement, to perform its obligations hereunder, and to consummate the Purchase.

Section 3.2 Valid and Enforceable Agreement; No Violations. This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except that such enforcement may be subject to (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally and (b) general principles of equity, whether such enforceability is considered in a proceeding at law or in equity (such qualifications in clauses (a) and (b) being the "Enforceability Exceptions"). The execution and the delivery of this Agreement and consummation of the Purchase (including execution of each Bond Document) will not violate, conflict with, or result in a breach of or default under (i) Purchaser's organizational documents, (ii) any agreement or instrument to which Purchaser is a party or by which Purchaser or any of its assets are bound or (iii) any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to Purchaser.

Section 3.3 Investor Status. Purchaser is an "accredited investor" within the meaning of Rule 501(a) of Regulation D ("Regulation D") promulgated under the Securities Act of 1933, as amended (the "Securities Act"). The Securities are being offered and sold pursuant to the exemption from registration afforded by Section 4(a)(2) of the Securities Act.

Section 3.4 No Consents. No consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by Purchaser of its obligations under this Agreement or any other Bond Document.

Section 3.5 Restricted Note and Shares. Purchaser (a) acknowledges that (i) the Notes and any Conversion ADSs issued pursuant to the Bond Documents have not been registered under the Securities Act or any United States state securities laws, (ii) the Notes and, subject to the conversion of the Notes into Underlying Shares to be delivered to the Depositary, the Conversion ADSs are being offered and sold in reliance upon exemptions provided in the Securities Act and such state securities laws for transactions not involving any public offering and, therefore, cannot be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless they are subsequently registered and qualified under the Securities Act and applicable state securities laws or unless an exemption from such registration and qualification is available and (iii) the Notes and Conversion ADSs are "restricted securities" as that term is defined in Rule 144 promulgated under the Securities Act; and (b) is purchasing the Note and Conversion ADSs for investment purposes only for the account of Purchaser and not with any view toward a distribution thereof or with any intention of selling, distributing or otherwise disposing of the Note or Conversion ADSs in a manner that would violate the registration requirements of the Securities Act. Purchaser is able to bear the economic risk of holding the Notes and Conversion ADSs for an indefinite period and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment in the Note and Conversion ADSs.

Section 3.6 Legends. Purchaser understands and agrees that any certificates, book-entry notations or ADRs representing the Notes and Conversion ADSs shall bear the restrictive legend set forth in the form of Note attached hereto as Exhibit B or in Section 7.2 below, respectively.

Section 3.7 Adequate Information; No Reliance. Purchaser acknowledges and agrees that (a) Purchaser has been furnished with all materials it considers relevant to making an investment decision to enter into the Purchase and has had the opportunity to review the Company's filings and submissions with the Securities and Exchange Commission (the "SEC"), including, without limitation, all information filed or furnished pursuant to the Exchange Act and all information incorporated into such filings and submissions, (b) Purchaser has sufficient knowledge and expertise to make an investment decision with respect to the transactions contemplated hereby and is able to bear the economic risks of an investment in the Securities, (c) Purchaser has had a full opportunity to speak directly with directors and officers of the Company and to ask questions of the Company and such directors and officers of the Company concerning the Company, its business, operations, financial performance, financial condition and prospects, and the terms and conditions of the Purchase, and to obtain such additional information as it deems necessary to verify the accuracy of the information furnished to it and has asked such questions, received such answers and obtained such information as it deems necessary, (d) Purchaser has had the opportunity to consult with its accounting, tax, financial and legal advisors to be able to evaluate the risks involved in the Purchase and to make an informed investment decision with respect to the Purchase and (e) Purchaser is not relying, and has not relied, upon any statement, advice (whether accounting, tax, financial, legal or other), representation or warranty made by the Company or any of the Company's directors, officers, affiliates or representatives, except for (i) the publicly available filings and submissions made by the Company with the SEC under the Exchange Act and (ii) the representations and warranties made by the Company in this Agreement.

Section 3.8 No Public Market. Purchaser understands that no public market exists for the Notes, and that there is no assurance that a public market will ever develop for the Notes.

Section 3.9 No General Solicitation or Advertising. The offer to enter into the Purchase was directly communicated to Purchaser, and Purchaser was able to ask questions and receive answers concerning the terms of this transaction. At no time was Purchaser presented with or solicited by any leaflet, newspaper or magazine article, radio or television advertisement or any other form of general advertising or solicited or invited to attend a promotional meeting otherwise than in connection and concurrently with such communicated offer.

Section 3.10 Brokers' Fees. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on Purchaser's behalf who would be entitled to any fee or commission from the Company or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as: (i) set forth in the letter dated as of the date of this Agreement and delivered by the Company to the Purchaser on or prior to the date of this Agreement (the "Company Disclosure Letter"); (ii) as disclosed in the Company Reports filed or furnished with the SEC (and publicly available) prior to the date of this Agreement (to the extent the qualifying nature of such disclosure is readily apparent from the content of such Company Reports), excluding disclosures referred to in "Forward-Looking Statements", "Risk Factors" and any other disclosures therein to the extent they are of a predictive or cautionary nature or related to forward-looking statements (it being acknowledged that nothing disclosed in such a Company Report will be deemed to modify or qualify the representations and warranties set forth in Section 4.2, and Section 4.6), (iii) contemplated under the Divestiture and in accordance with the Divestiture Agreement, or (iv) the transactions contemplated by the Merger Agreement and in accordance therewith, the Company hereby makes the following representations and warranties on the date hereof and at the Closing (or if a specific date is indicated in any such statement, as of such specified date), to Purchaser, and all such representations and warranties shall survive the Closing. Notwithstanding anything to the contrary contained in this Agreement, Purchaser agrees that no representation or warranty of the Company in this Agreement or in any other Bond Documents shall be deemed to be untrue or incorrect, and the Company shall not be deemed to be in breach thereof, if Purchaser (limited to Mr. Gang Chen, who is a director of the Company and Mr. Cen Shi) had actual or constructive knowledge on the date hereof or the Closing Date (or if a specific date is indicated in any such statement, as of such specified date), as applicable, of any such undisclosed matter or that any such representation or warranty was untrue or incorrect.

Section 4.1 Exchange Act Filings. The Company has filed or furnished, as applicable, on a timely basis (including following any extensions of time for filing provided by Rule 12b-25 promulgated under the Exchange Act) all forms, reports, schedules, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Exchange Act or

the Securities Act since the Reference Date to the date of this Agreement (the "Company Reports"). The Company Reports, as of their respective filing dates and except to the extent corrected by a subsequent Company Report as the case may be, complied in all material respects with the applicable requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations thereunder, and none of the Company Reports contained, when filed or furnished, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading in any material respect; and any further documents so filed or furnished after the date hereof and on or prior to the Closing, when filed or furnished with the SEC, as the case may be, will comply in all material respects with the applicable requirements of the Securities Act or the Exchange Act, as applicable, the Sarbanes-Oxley Act and the applicable rules and regulations thereunder and will not, when filed or furnished, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading in any material respect.

Section 4.2 Due Incorporation. Each of the Company and its Subsidiaries (each an "Affiliated Entity") has been duly organized and is validly existing as a corporation or other legal entity in good standing (or the foreign equivalent thereof) (to the extent such concept exists in the relevant jurisdiction) under the laws of its jurisdiction of incorporation or organization. Except as disclosed in the Company Reports, each of the Affiliated Entities is duly qualified to do business in each jurisdiction in which its ownership or lease of its properties or the conduct of its business requires such qualification and has all power and authority (corporate or other) necessary to own or hold its properties and to conduct the businesses in which each is engaged, except where the failure to so qualify or have such power or authority has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. "Material Adverse Effect" shall mean any state of facts, development, change, circumstance, occurrence, event or effect, that has had and would reasonably be expected to have, individually or in the aggregate, a material adverse effect on (i) the condition (financial or otherwise), results of operations, assets or business of the Company and its Subsidiaries taken as a whole, or (ii) the ability of the Company to perform its obligations under this Agreement or the Note or to consummate any transactions contemplated hereby or thereby; provided, however, that in no event will any of the following (or the effect of any of the following), alone or in combination, be taken into account in determining whether a Material Adverse Effect pursuant to clause (i) has occurred: (a) acts of war, sabotage, civil unrest or terrorism, or any escalation or worsening of any such acts of war, sabotage, civil unrest or terrorism, or changes in global, national, regional, state or local political or social conditions; (b) earthquakes, hurricanes, tornados, pandemics (including COVID-19 or any COVID-19 Measures) or other natural or man-made disasters; (c) changes attributable to the public announcement, performance or pendency of the transactions contemplated by this Agreement, the Bond Documents or the Merger Agreement (including the impact thereof on relationships with customers, suppliers or employees); (d) changes or proposed changes in applicable laws, regulations or interpretations thereof or decisions by courts or governmental or regulatory authorities, agencies, commissions or other entities, whether federal, state, local or foreign after the date of this Agreement; (e) changes in applicable accounting principles of the Company (or any interpretation thereof) after the date of this Agreement; (f) general economic, regulatory or tax

conditions, including changes in the credit, debt, securities or financial markets (including changes in interest or exchange rates) after the date of this Agreement; (g) events or conditions generally affecting the industries and markets in which the Company and its Subsidiaries operate; (h) any failure to meet any projections, forecasts, guidance, estimates or financial or operating predictions of revenue, earnings, cash flow or cash position, provided that this clause (h) shall not prevent a determination that the underlying facts and circumstances resulting in such failure has resulted in a Material Adverse Effect; or (i) any actions (A) required to be taken, or required not to be taken, pursuant to the terms of this Agreement or (B) taken with the prior written consent of or at the prior written request of the Purchaser; provided, however, that if any state of facts, developments, changes, circumstances, occurrences, events or effects related to clauses (a), (b), (d), (e), (f) or (g) above disproportionately and adversely affect the business, assets, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, relative to similarly situated companies in the industries in which the Company and its Subsidiaries conduct their respective operations, then such incremental disproportionate impact may be taken into account (unless otherwise excluded) in determining whether a Material Adverse Effect has occurred.

Section 4.3 Subsidiaries. Except to the extent set forth in the Company Reports or the Section 4.3 of Company Disclosure Letter, all issued and outstanding shares of capital stock, limited liability company interests and equity interests of each Subsidiary of the Company have been duly authorized and validly issued, are duly paid to the extent that is required by their applicable charter documents and nonassessable (in each case, to the extent that such concepts are applicable) and are owned by the Company directly or indirectly, free and clear of any claim, lien, encumbrance, security interest, restriction upon voting or transfer or any other claim of any third party.

Section 4.4 Due Authorization. The Company has the requisite right, power and authority to enter into this Agreement and each other Bond Document and to perform and discharge its obligations hereunder and thereunder; and this Agreement and each other Bond Document, and the performance by the Company of its obligations hereunder and thereunder, have been duly authorized. This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company enforceable in accordance with its terms, subject to the Enforceability Exceptions. The Bond Documents, when executed and delivered by the Company and the Purchaser will constitute valid and binding obligations of the Company, enforceable in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.5 The Notes and the Conversion ADSs. The Note has been duly authorized and, when issued and delivered upon sale, will have been duly executed, authenticated, issued and delivered and will constitute a valid and legally binding obligation of the Company. The Ordinary Shares to be issued by the Company upon conversion in whole or in part of the Notes have been duly authorized for issuance. Upon subscription by each holder of the Notes for the number of Ordinary Shares issuable in connection with the conversion in whole or in part of such Notes, such Ordinary Shares shall, subject to the terms of the Notes, constitute Underlying Shares to be deposited with the Depositary for the issuance of Conversion ADSs in the form of ADRs. When issued in accordance with the terms of the Notes, such Conversion ADSs evidenced by such ADRs, and the Underlying Shares, will be validly issued, fully paid and nonassessable and free of any

preemptive or similar rights, and the Purchaser will be entitled to the rights specified respectively therein and in the Deposit Agreement (as defined below); no preemptive right, resale right, right of first refusal or similar rights exist with respect to any of the Ordinary Shares in the form of the Conversion ADSs and the issuance thereof will be free of any restriction upon the voting or transfer thereof pursuant to the laws of the Cayman Islands or any agreement or other instrument to which the Company is a party, except for restrictions under all U.S. federal and state securities laws and the securities laws of any other applicable jurisdiction. Each Note and all Conversion ADSs will be issued in compliance with all U.S. federal and state securities laws and the securities laws of any other applicable jurisdiction.

Section 4.6 Capitalization. Schedule 4.6 of the Company Disclosure Letter sets forth, as of the date thereof, (i) the authorized share capital of the Company, and (ii) the number, class and series of Company's shares issued and outstanding. As of the Closing Date, all of the issued and outstanding shares of the Company shall have been duly authorized, validly issued and are fully paid and nonassessable and were issued in compliance with all applicable securities laws and were not subject to or issued in violation of any preemptive rights created by the Cayman Companies Act, the Company's organizational documents or any agreement to which the Company is a party. Except as set forth in the Company Reports and Section 4.6 of the Company Disclosure Letter, the share incentive awards that may be issued from time to time under the Company's Share Incentive Plans and the issuance of the Merger Consideration (as defined in the Merger Agreement) as contemplated by the Merger Agreement, the Company has no shares reserved for issuance, with the exception of the shares authorized for issuance in connection with the Notes to be issued pursuant hereto. Except as set forth above or pursuant to this Agreement, the Company does not have any outstanding options to purchase, or any rights or warrants to subscribe for, any securities or obligations convertible into, or any contracts or commitments to issue or sell, any shares of the Company or any such warrants, convertible securities or obligations.

Section 4.7 No Default, Termination or Lien. Except to the extent set forth in Section 4.7 of Company Disclosure Letter, and subject to BOA Consent, the execution, delivery and performance of this Agreement and each other Bond Document by the Company, the issuance and delivery of the Notes by the Company, the issuance and delivery of all Conversion ADSs in accordance with the terms of the Note, the consummation of the transactions contemplated hereby and thereby, and compliance by the Company with the terms of this Agreement and each other Bond Document, (i) will not (with or without notice or lapse of time or both) conflict with or result in a breach or violation of any of the terms or provisions of, constitute a default under, give rise to any right of termination or other right or the cancellation or acceleration of any right under, or give rise to the creation or imposition of any lien, encumbrance, security interest, claim or charge upon any property or assets of the Company or any its Subsidiary pursuant to any Material Contracts, except (a) as would not, individually or in the aggregate, reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole or (b) that the enforcement of the share charge under the Share Charge Agreement that causes a change of control of Promethean would constitute an event of default under the BOA Loan Agreements, (ii) nor will such actions result in any violation of the provisions of the organizational documents of the Company or any of its Subsidiaries or any law, statute, rule, regulation, judgment, order or decree of any court or

governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their properties or assets.

Section 4.8 No Consents. Except to the extent set forth in Section 4.8 of Company Disclosure Letter and except for the BOA Consent, no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement or any other Bond Document, except such as may be required by the federal and state securities laws of the United States and the New York Stock Exchange in connection with the offer and issuance of the Notes.

Section 4.9 Financial Statements. The financial statements and notes of the Company included in the Company Reports fairly present in all material respects the financial condition of the Company and its consolidated Subsidiaries as of the respective dates thereof and the results of operations and cash flows of the Company and its consolidated Subsidiaries for the respective periods covered thereby, and were prepared in accordance with the United States Generally Accepted Accounting Principles ("U.S. GAAP") applied on a consistent basis throughout the entire period involved, except as otherwise disclosed in the Company Reports, and complied in all material respects with applicable requirements of the Securities Act, the Exchange Act and the rules and regulations thereunder, as applicable.

Section 4.10 No Material Adverse Change. Except as disclosed in Company Reports or Section 4.10 of the Company Disclosure Letter and except as contemplated by this Agreement, the Divestiture Agreement and the Merger Agreement, since December 31, 2022, there has not been any Material Adverse Effect.

Section 4.11 Legal Proceedings. Except as accurately described in all material respects in the Company Reports, Section 4.11 of the Company Disclosure Letter, or otherwise would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there are no legal or governmental proceedings, actions, suits or claims (i) pending or, to the Company's Knowledge, threatened in writing, against the Company or any of its Subsidiaries or any of its properties or assets, or any of the directors or officers of the Company or any of its Subsidiaries with regard to their actions as such, or (ii) that are required to be described in the Company Reports and are not so described. For purposes of this Agreement, the "Company's Knowledge" or "Knowledge of the Company" means the actual knowledge or awareness as to a specified fact or event of the individuals listed on Schedule 4.11 of the Company Disclosure Letter.

Section 4.12 Regulatory Permits. Each of the Company and its Subsidiaries possesses or has applied for all certificates, authorizations, licenses, franchises, permits, orders and approvals issued or granted by the appropriate governmental or regulatory authorities, agencies, courts, commissions or other entities, whether federal, state, local or foreign, or applicable self-regulatory organizations necessary to conduct its business as currently conducted, except (i) where the failure to possess such certificates, authorizations, licenses, franchises, permits, orders and approval or such written notice, individually or in the aggregate, has not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect ("Material Permits") and (ii) except as disclosed in the Company Reports, neither the Company nor any of its Subsidiaries has

received any written notice of proceedings from the appropriate governmental or regulatory authorities, agencies, courts, commissions or other entities, whether federal, state, local or foreign, or applicable self-regulatory organizations that has issued any such Material Permit relating to the revocation or material adverse modification of any such Material Permits (except as accurately described in all material respects in the Company Reports).

Section 4.13 Material Contracts. Neither the Company nor any of its Subsidiaries is in material default under, or in material violation of, nor has received written notice of termination or default under any Material Contract.

Section 4.14 Title to Property. Neither the Company nor its Subsidiaries currently own any real property; and any real property and buildings held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases, subject to (i) Enforceability Exceptions, (ii) such exceptions as are not material and do not interfere in material respects with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries, and (iii) exceptions as described in the Company Reports.

Section 4.15 No Labor Disputes. Except as disclosed in Section 4.15 of the Company Disclosure Letter, no strike, labor dispute, slowdown or stoppage is pending or, to the Knowledge of the Company, threatened in writing against the Company or any of the Subsidiaries, except any labor dispute that would not have, individually or in the aggregate, a Material Adverse Effect, and no union representation dispute currently is existing concerning the employees of the Company or any of the Subsidiaries. To the Knowledge of the Company, no union organizing activities are currently taking place concerning the employees of the Company or any of the Subsidiaries, and each the Company or any of the Subsidiaries is in material compliance with applicable laws relating to collective bargaining, discrimination in the hiring, equal employment opportunity, workers' compensation, wage or hour or retirement benefits.

Section 4.16 Taxes. The Company (i) has filed all material national, regional, local and other tax returns (or timely filed taking into account all applicable extensions therefor) that have been required to be filed by the Company, (ii) is not in default in the payment of any material amounts of taxes which were payable pursuant to said returns or any assessments with respect thereto, other than any which the Company is contesting in good faith and for which adequate reserves have been provided in accordance with U.S. GAAP, (iii) does not have any tax deficiency that has been or, to the Company's Knowledge, is reasonably likely to be asserted or threatened against it, except, in each case, for any failure to pay tax or file a tax return or any deficiencies that, individually or in the aggregate, would not have a Material Adverse Effect.

Section 4.17 Intellectual Property Rights. To the Company's knowledge, the Company and its Subsidiaries own or possess, or have the right to use, all material trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "Intellectual Property Rights") necessary to conduct the business now operated by them, and, in the past three (3) years, have not received any notice of infringement of or conflict with asserted rights of others with respect to any Intellectual Property

Rights, except such as would not and would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

Section 4.18 Compliance with Anti-Corruption Laws. Except as disclosed in the Company Disclosure Letter, since the Reference Date, neither the Company nor any of its Subsidiaries, nor, to the Company's Knowledge, any officer, director or employee of the Company or of any of its Subsidiaries or any other person acting at the direction of the Company, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) taken take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to induce such government official to do or omit to do any act in violation of his or her lawful duties, influence official action or secure, obtain or retain business or any other improper advantage; (iii) made, offered, agreed or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit; or (iv) will use, directly or indirectly, the proceeds of the sale of the Note in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, the Anti-Unfair Competition Law of the PRC, the Criminal Law of the PRC or any applicable anti-corruption laws (collectively, the "Anti-Corruption Laws"); and the Company and its Subsidiaries have conducted their businesses in compliance with Anti- Corruption Laws in all material respects and the Company has established and maintains the Anti-Corruption Laws compliance policy which is made publicly available by the Company.

Section 4.19 OFAC and Similar Laws. None of the Company, any of its Subsidiaries or, to the Company's Knowledge, any director, officer or employee of the Company or any of its Subsidiaries or any other person acting at the direction of the Company is an individual or entity ("Person") currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions"), nor is the Company or any of its Subsidiaries located, organized or resident in a country or territory that is the subject of Sanctions; and the Company will not use the proceeds of the issuance of the Note, or lend, contribute or otherwise make available such proceeds to any Subsidiaries joint venture partners or other Person, to knowingly fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

Section 4.20 Compliance with Anti-Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted since the Reference Date in material compliance with, to the extent applicable, the Anti-Money Laundering Law of the PRC, the

Currency and Foreign Transactions Reporting Act of 1970, as amended, the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of all jurisdictions where the Company and its Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"), and no investigation, action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to any potential violation of the Anti-Money Laundering Laws is pending or, to the Company's Knowledge, threatened in writing.

Section 4.21 Disclosure Controls and Procedures. Except as disclosed in the Company Reports and Section 4.21 of the Company Disclosure Letter, the Company has established and maintains disclosure controls and procedures required by Rule 13a-15(e) or 15d-15(e) under the Exchange Act, which controls and procedures are designed to provide reasonable assurance that all material information concerning to the Company, including any consolidated Subsidiaries, required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is made known to the Company's principal executive officer and its principal financial officer (collectively, the "Certifying Officers"), as appropriate, to make timely decisions regarding required disclosure. The Company's Certifying Officers have evaluated the effectiveness of the Company's controls and procedures as of the end of the period covered by the most recently filed annual report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed annual report under the Exchange Act the conclusions of the Certifying Officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date and except as disclosed in the Company Reports, there have been no material changes in the Company's internal controls (as such term is defined in the rules of the SEC under the Exchange Act) or, to the Company's Knowledge, in other factors that could affect the Company's internal controls.

Section 4.22 Accounting Controls. The Company maintains a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and is designed to provide reasonable assurances (i) regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, (ii) that receipts and expenditures of the Company and its Subsidiaries are being made only in accordance with appropriate authorizations of management and directors of the Company, (iii) that transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP, and (iv) regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of t the Company and its Subsidiaries that could have a material effect on the financial statements. Since the end of the Company's most recent audited fiscal year, except as disclosed in Section 4.22 of the Company Disclosure Letter, there has been (A) to the Company's Knowledge, no material weakness in the Company's internal control over financial reporting (whether or not remediated) utilized by the Company and (B) no change in the Company's internal control over financial reporting that has materially affected, or would materially affect, the Company's internal control over financial reporting.

Section 4.23 Brokers' Fees. Unless otherwise disclosed in Section 4.23 of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to any contract, agreement or understanding with any person that would give rise to a valid claim against the Company for a brokerage commission, finder's fee or like payment in connection with the offering and issuance of any Note or any transaction contemplated by this Agreement.

Section 4.24 Listing and Maintenance Requirements. The ADSs are registered pursuant to Section 12(b) of the Exchange Act and are listed on the New York Stock Exchange, and the Company has taken no action designed to terminate the registration of the ADSs under the Exchange Act or delist the ADSs from the New York Stock Exchange, and except as disclosed in Section 4.24 of the Company Disclosure Letter, nor has the Company received any notification that either the SEC or the New York Stock Exchange is contemplating terminating such registration or listing. The Conversion ADSs will be duly authorized for listing on the New York Stock Exchange immediately upon (i) conversion of each Note in accordance with the terms of each Note and (ii) the issuance of the ADSs by the Depositary following the deposit of the Underlying Shares.

Section 4.25 No General Solicitation. Neither the Company nor any person acting on its or their behalf has engaged in any general solicitation or general advertising in connection with the offering or issuance of any Note, including but not limited to the methods described in Rule 502(c) under the Securities Act.

Section 4.26 No Transaction or Other Taxes. No transaction, stamp, capital or other documentary, issuance, registration, transaction, transfer, withholding or other similar taxes or duties are payable by or on behalf of the Purchaser to the government of the PRC, Hong Kong or Cayman Islands or any political subdivision or taxing authority thereof in connection with the execution, delivery or performance of this Agreement, the Bond Documents or the Note, except that stamp duty of Cayman Islands may be payable if the original copy of this Agreement, the Bond Documents or the Note is brought to or executed in the Cayman Islands.

Section 4.27 Payment of Dividends. All Conversion ADSs shall be entitled to rights to participate in all dividends and other distributions the record one of which falls after the date on which the Note has been surrendered for conversion at the principal office of the Company, as the case may be.

Section 4.28 Foreign Private Issuer. The Company is a "foreign private issuer" within the meaning of Rule 405 under the Securities Act.

Section 4.29 No Immunity. None of the Company, its Subsidiaries or any of their respective properties, assets or revenues has any right of immunity, under the laws of the Cayman Islands, Hong Kong, the PRC, the State of New York or the United States, from any legal action, suit or proceeding, the giving of any relief in any such legal action, suit or proceeding, set-off or counterclaim, the jurisdiction of any Cayman Islands, Hong Kong, PRC, the State of New York or United States federal court, service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or execution of a judgment, or other legal process or proceeding

for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement, the Note, each other Bond Document or the Deposit Agreement.

Section 4.30 Independent Accountants. Marcum Asia CPAs LLP ("Marcum Asia"), who has certified certain financial statements and related schedules included or incorporated by reference in the Company Reports, is an independent registered public accounting firm as required by the Securities Act and the Exchange Act and the rules and regulations thereunder and the Public Company Accounting Oversight Board (United States). Except as pre-approved in accordance with the requirements set forth in Section 10A of the Exchange Act, Marcum Asia has not been engaged by the Company to perform any "prohibited activities" (as defined in Section 10A of the Exchange Act).

Section 4.31 Reserved.

Section 4.32 No Price Stabilization. Except as set forth in the Company Reports, neither the Company, its Subsidiaries nor any of the Company's or its Subsidiaries' officers, directors or affiliates has taken or will take, directly or indirectly, any action designed or intended to stabilize or manipulate the price of any security of the Company, or which caused or resulted in, or which would in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any security of the Company.

ARTICLE V OTHER AGREEMENTS

Section 5.1 Depositary. As more fully described in the Note, upon conversion of all or any portion of a Note held by Purchaser or any transferee, in accordance with the terms thereof, the Company will use its commercially reasonable efforts to cause the Depositary to deliver the relevant number of Conversion ADSs to Purchaser against deposit of the Underlying Shares, pursuant to the Deposit Agreement, following delivery by Purchaser or any transferee of all the required documents involved in the conversion from Ordinary Shares to ADS, and Purchaser or any transferee shall cooperate with the Company and the Depositary in connection therewith.

Section 5.2 Supplemental Listing Application. Within 30 days following the Closing Date, the Company shall file with the New York Stock Exchange a supplemental listing application reflecting the transactions contemplated hereby.

Section 5.3 Listing of Shares; Certificates. The Company covenants that all Conversion ADSs will, at all times that any Note is convertible, be duly approved for listing subject to official notice of issuance on the New York Stock Exchange. The Company covenants that the certificates, if any, representing the ADRs to be issued to evidence any Conversion ADSs issued upon conversion of Notes will comply with applicable law.

Section 5.4 Confidentiality. Each Party agrees not to disclose the other Party's identity and not to permit such disclosure by any of its Subsidiaries and affiliates unless such disclosure is required, in the good faith determination by qualified legal counsel, by applicable law or regulation (including any rules or regulations of any securities exchange). In the case that disclosure is so required, the disclosing party will provide the other Party with a draft of the proposed disclosure at least ten days prior to its release, publication or filing and will accept reasonable comments on such disclosure.

Section 5.5 BOA Consent. The Purchaser shall cooperate with the Company and Promethean and do all such acts and execute all such documents as BOA, the Company and/or Promethean may reasonably specify (including, but not limited to, entering into any documents in connection with or pertaining to the amendment of the Bond Documents and the subordination of the Note to the loans under BOA Loan Agreements) in order for the BOA Consent to be obtained.

ARTICLE VI CONDITIONS TO CLOSING

Section 6.1 Purchaser's Conditions Precedent. The obligation of Purchaser to complete the Purchase is subject to the satisfaction of each of the following conditions precedent:

(a) each of the representations and warranties of the Company contained in this Agreement shall be true and correct as of the Closing Date, with the same effect as though those representations and warranties had been made on and as of the Closing Date, (i) except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty need only be true and correct as of such date, and (ii) except where any failures of such representations and warranties (excluding Section 4.2 (Due Incorporation), Section
4.3 (Subsidiaries), Section 4.4 (Due Authorization), Section 4.6 (Capitalization) and Section 4.8 (No Consents)) to be so true and correct, individually and in the aggregate, has not had and is not reasonably likely to have a Material Adverse Effect, as of the Closing Date;

(b) the Company shall have duly performed and complied in all material respects with all covenants and agreements contained in this Agreement that are required to be performed or complied with by it at or before the Closing;

(c) no court or other governmental or regulatory authorities, agencies, commissions or other entities, whether federal, state, local or foreign, shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated by this Agreement, and there shall not be pending by or before any such entity any suit, action or proceeding in respect thereof;

(d) the Company, the Guarantor and the Chargor, as applicable, shall have executed and delivered to Purchaser each of the Bond Documents (substantially in the forms as attached hereto);

(e) the transactions contemplated by the Merger Agreement shall have been consummated concurrently with the Closing; and

(f) the transactions contemplated by the CB Restructuring Documents, including without limitation, the redemption of US$125,000,000 principal amount of the Existing Bonds in accordance with the CB Restructuring Documents, shall have been consummated concurrently with the Closing.

Section 6.2 Company Conditions Precedent. The obligation of the Company to complete the issuance of the Note to Purchaser contemplated by this Agreement is subject to the satisfaction of each of the following conditions precedent:

(a) each of the representations and warranties of Purchaser contained in this Agreement shall be true and correct as of the Closing Date, with the same effect as though those representations and warranties had been made on and as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty need only be true and correct as of such date;

(b) Purchaser shall have duly performed and complied in all material respects with all covenants and agreements contained in this Agreement that are required to be performed or complied with by it at or before the Closing;

(c) no court or other governmental or regulatory authorities, agencies, commissions or other entities, whether federal, state, local or foreign, shall have enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated by this Agreement, and there shall not be pending by or before any such entity any suit, action or proceeding in respect thereof;

(d) the transactions contemplated by the Merger Agreement shall have been consummated concurrently with the Closing;

(e) the transactions contemplated by the CB Restructuring Documents, including without limitation, the redemption of US$125,000,000 principal amount of the Existing Bonds in accordance with the CB Restructuring Documents, shall have been consummated concurrently with the Closing.

(f) the BOA Consent shall have been obtained.

ARTICLE VII CERTAIN COVENANTS

Section 7.1 Certain Actions. The Company and Purchaser shall reasonably cooperate with each other and use (and shall cause their respective affiliates to use) reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable on its part under this Agreement, applicable law and stock exchange listing standards to consummate the transactions contemplated by this Agreement as soon as practicable.

Section 7.2 Legends. To the extent reasonably necessary under applicable law, any certificate, book-entry notation or ADR representing Conversion ADSs which are issued following conversion of the Note and deposit of the Underlying Shares with the Depositary shall have endorsed, to the extent appropriate, upon its face the following words:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY JURISDICTION. SUCH SECURITIES MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, ASSIGNED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO (I) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER SUCH ACT OR APPLICABLE STATE SECURITIES LAW, OR (II) ANY EXEMPTION FROM REGISTRATION UNDER SUCH ACT, OR APPLICABLE STATE SECURITIES LAW, RELATING TO THE DISPOSITION OF SECURITIES, INCLUDING RULE 144.

Section 7.3 Legend Removal. Upon the request of the Purchaser or any transferee or proposed transferee thereof, the Company shall instruct the Depositary to remove the legend contemplated by Section 7.2 of this Agreement (and shall revoke any related stop transfer or similar instructions to its registrar and transfer agent), if the Conversion ADSs are covered by an effective registration statement under the Securities Act or if such person provides reasonable evidence and an opinion of counsel to the effect that a sale, transfer or assignment of such Conversion ADSs may be made without registration under the Securities Act or that such Conversion ADSs are eligible for resale pursuant to Rule 144 under the Securities Act.

ARTICLE VIII SECURITY AND GUARANTY

Section 8.1 Share Charge. The Company's obligations pursuant to the Bond Documents shall be secured on the terms set forth in the Share Charge Agreement attached hereto as Exhibit C.

Section 8.2 Guaranty. The Company's obligations pursuant to the Bond Documents shall be guaranteed by Promethean on the terms set forth in the Guaranty Agreement attached hereto as Exhibit D.

ARTICLE IX MISCELLANEOUS

Section 9.1 Entire Agreement. This Agreement and any documents and agreements executed in connection with the Purchase embody the entire agreement and understanding of the Parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous oral or written agreements, representations, warranties, contracts, correspondence, conversations, memoranda and understandings between or among the Parties or any of their agents, representatives or affiliates relative to such subject matter, including, without limitation, any term sheets, emails or draft documents.

Section 9.2 Construction. References in the singular shall include the plural, and vice versa, unless the context otherwise requires. References in the masculine shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meanings of the provisions hereof. Neither party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against either party.

Section 9.3 Governing Law; Arbitration. This Agreement shall in all respects be construed in accordance with and governed by the substantive laws of the State of New York without reference to its choice of law rules. Any dispute arising out of or relating to this Agreement, including any question regarding its existence, validity or termination shall be addressed in accordance with the arbitration provisions set forth in Section 11.2 of the Note.

Section 9.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Any counterpart or other signature hereon delivered by facsimile shall be deemed for all purposes as constituting good and valid execution and delivery of this Agreement by such party.

Section 9.5 Certain Definitional Provisions. Unless the express context otherwise requires, the words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; any references herein to a specific Section, Schedule or Annex shall refer, respectively, to Sections, Schedules or Annexes of this Agreement; wherever the word “include”, “includes” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”; and references herein to any gender includes each other gender.

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Section 9.6 Expenses. The Company shall reimburse the Purchaser for its documented third-party costs and expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (the “Third-Party Expenses”) if such transactions are completed; and Best Assistant, a subsidiary of NetDragon, shall reimburse the Purchaser for 50% of the Third- Party Expenses if such transactions are not completed. The Third-Party Expenses shall include

but not limited to the fees and expenses (including legal fees) incurred for the preparation, negotiation and execution of this Term Sheet and the definitive agreements and conducting all financial, legal and business due diligence, in an amount not to exceed US$250,000.

Section 9.7 Appointment of Agent. Wilmington Savings Fund Society, FSB shall be appointed agent pursuant to the terms of the Agency Agreement.

Section 9.8 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given: (a) on the date established by the sender as having been delivered personally; (b) one (1) Business Day after being sent by a nationally recognized overnight courier guaranteeing overnight delivery; (c) on the date that transmission is confirmed electronically, if delivered by email; or (d) on the fifth (5th) Business Day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications, to be valid, must be addressed as follows:

if to the Company, to:

Gravitas Education Holdings, Inc.
3/F, No. 28 Building, Fangguyuan Section 1, Fangzhuang, Fengtai District
Beijing, the PRC Attention: Xin Fang

E-mail: fangxin@geh.com.cn with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP 30th Floor, China World Office 2
1 Jianguomenwai Avenue Beijing 100004, the PRC Attention: Peter X. Huang, Esq.
Email: Peter.Huang@skadden.com

and

Skadden, Arps, Slate, Meagher & Flom LLP 46th Floor, Tower II
Jing An Kerry Center 1539 Nanjing West Road Shanghai 200040, the PRC
Attention: Yuting Wu, Esq. Email: Yuting.Wu@skadden.com

if to the Purchaser, to:

Nurture Education Cayman Limited

C/O Ascendent Capital Partners (Asia) Limited Suite 3501, 35/F, Jardine House
1 Connaught Place, Central, Hong Kong Attention: Leon Meng and Derek Cheung

Email: leon@ascendentcp.com; derek@ascendentcp.com with a copy to:

Morrison & Foerster LLP 33/F, Edinburgh Tower The Landmark
15 Queen's Road Central, Hong Kong Attention: Maureen Ho Email:
MHo@mofo.com

if to Wilmington Savings Fund Society, FSB, to: 500 Delaware Avenue, 11th Floor

Wilmington, DE 19801, USA
Attention: Pat Healy, Senior Vice President Email: PHealy@wsfsbank.com

with a copy to:

McDermott Will & Emery LLP One Vanderbilt Avenue
New York, NY 10017-3852 USA
Attention: Jonathan Levine Email: jlevine@mwe.com

if to the Guarantor or the Chargor, to:

Best Assistant Education Online Limited Room 2001, 20/F, Harbour Centre,
25 Harbour Road
Wan Chai, Hong Kong Attention: Garwin Chan

E-mail: garwin@elm-tree.com with a copy to:

Cleary Gottlieb Steen & Hamilton 5th Floor, Fortune Financial Center 5 Dong San Huan Zhong Lu Chaoyang District, Beijing 100020 People's Republic of China

Attention: Denise Shiu

E-mail: dshiu@cgsh.com and

Cleary Gottlieb Steen & Hamilton One Liberty Plaza
New York NY 10006 Attention: Adam Brenneman
E-mail: abrenneman@cgsh.com

or to such other address or to the attention of such other Person or Persons as the recipient Party has specified by prior written notice to the sending Party (or in the case of counsel, to such other readily ascertainable business address as such counsel may hereafter maintain) by means provided in this Section 9.8. If more than one method for sending notice as set forth above is used, the earliest notice date established as set forth above shall control.

[*Signature Page Follows*]

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed as of the date first above written.

The Company

GRAVITAS EDUCATION HOLDINGS, INC.

By: __ Name: Dennis Demiao Zhu

Title: Director

[*Signature Page to Senior Secured Convertible Note Purchase Agreement*]

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed as of the date first above written.

The Company

GRAVITAS EDUCATION HOLDINGS, INC.

By: __ Name: __ Title: __

Purchaser

NURTURE EDUCATION (CAYMAN) LIMITED

By: __ Name: Lam On Na Anna
Title: Authorized Signatory

BEST ASSISTANT EDUCATION ONLINE LIMITED

By: __ Name: __ Title: __

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed as of the date first above written.

BEST ASSISTANT EDUCATION ONLINE LIMITED

By

Name: U:ul::!&iUM \L1h

Title: \)itf ci

[Signature Page to Senior Secured Convertible Note Purchase Agreement]

EXHIBIT A

SCHEDULE OF PURCHASERS

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Nurture Education Cayman Limited

Aggregate Principal Amount of Notes: US$65,000,000

sf-5453963

EXHIBIT B

FORM OF CONVERTIBLE PROMISSORY NOTE

sf-5453963

THE SECURITY REPRESENTED BY THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THE TRANSFER OF THIS SECURITY IS ALSO SUBJECT TO THE CONDITIONS SPECIFIED IN THE SENIOR SECURED CONVERTIBLE NOTE PURCHASE AGREEMENT, DATED AS OF April 18, 2023, AS AMENDED AND MODIFIED FROM TIME TO TIME, BETWEEN GRAVITAS EDUCATION HOLDINGS, INC. (THE "COMPANY") AND THE PURCHASER PARTY THERETO. THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITY UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO SUCH TRANSFER. UPON WRITTEN REQUEST, A COPY OF SUCH CONDITIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF WITHOUT CHARGE.

GRAVITAS EDUCATION HOLDINGS, INC. CONVERTIBLE PROMISSORY NOTE

[], 2023 US$65,000,000

[Gravitas Education Holdings, Inc., a Cayman Islands exempted company with limited liability][1] (the "Company"), hereby promises to pay to the order of Nurture Education Cayman Limited, an exempted company incorporated with limited liability and validly existing under the Laws of the Cayman Islands (the "Purchaser") or its transferees, the principal amount of Sixty Five Million Dollars (US$65,000,000). This Note is being issued pursuant to a Senior Secured Convertible Note Purchase Agreement, dated as of April 18, 2023 (as may be amended, restated, supplemented or otherwise modified, the "Purchase Agreement"), between the Company and the Purchaser. The Purchase Agreement contains terms governing the rights of the holder of this Note, and all provisions of the Purchase Agreement are hereby incorporated herein in full by reference. Unless otherwise indicated herein, capitalized terms used in this Note have the same meanings set forth in the Purchase Agreement.

[1] NTD: To be updated on Closing Date if Company name has changed in connection with business combination.

ARTICLE I DEFINED TERMS

The terms defined in this Article I (except as herein otherwise expressly provided or unless

the context otherwise requires) for all purposes of this Note shall have the respective meanings specified in this Article I. The words "herein," "hereof," "hereunder" and words of similar import refer to this Note as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article I include the plural as well as the singular.

"Additional Amounts" shall have the meaning specified in Section 6.1. "Additional Notes" shall have the meaning

specified in Section 2.2. "ADSs" shall have the meaning specified in Section 3.2.

"Affiliate" means, with respect to any Person, (a) any Person that directly or indirectly controls such Person and (b) any Person which is controlled by or is under common control with such controlling Person, and (c) each of such Person's officers or directors (or Persons functioning in substantially similar roles).

"Asset Acquisition" means (a) an investment by the Company or any subsidiary in any other Person pursuant to which such Person shall become a subsidiary of the Company or shall be merged into or consolidated with the Company or any subsidiary of the Company, or (b) an acquisition by the Company or any subsidiary of the Company of the property and assets of any Person other than the Company or any subsidiary of the Company that constitute substantially all of a division or line of business of such Person.

"Asset Sale" means (a) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a sale/leaseback transaction) of the Company or any subsidiary, or (b) the issuance or sale of equity interests of any subsidiary of the Company (other than (x) to a Group Company or (y) in connection with the convertible securities outstanding as of the Closing Date or permitted to be incurred pursuant to the terms of the Notes).

"Attributable Indebtedness" means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person accounted for as a capital lease.

"BOA Loan Agreements" shall mean Loan and Security Agreement dated as of June 25, 2018 by and among Guarantor, Promethean Inc., Promethean Limited and BANK OF AMERICA,
N.A. (including all annexes, exhibits and schedules thereto and documents referenced therein) and the related security and ancillary agreements, as from time to time amended, restated, supplemented or otherwise modified.

"Board of Directors" shall have the meaning specified in Section 5.3(a).

"Closing Sale Price" means the price per share of the ADS as of the close of trading on any Trading Day as reported by the Exchange.

"Company" shall have the meaning specified in the preamble. "Conversion Date" shall have the meaning specified in

Section 5.1(c). "Conversion Rate" shall have the meaning specified in Section 5.2. "Conversion Securities" shall have

the meaning specified in Section 6.5.

"Deposit Agreement" means the Deposit Agreement dated as of September 26, 2017 among the Company, Citibank, N.A., as depositary, and the owners and holders from time to time of the ADSs issued thereunder, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Default Rate" means a rate of interest per annum that is 2.0% above the rate of interest stated in Section 2.1, with respect to cash payments only.

"Depositary" means Citibank, N.A., as depositary under the Deposit Agreement. "Distributed Assets" shall have the meaning specified in

Section 5.3(d).

"Early Repurchase Event" means the date of a redemption pursuant to Section 3.3 or a repurchase of the Notes following a Make Whole Fundamental Change.

"EBITDA" means, in respect of any Relevant Period, the consolidated operating profit of the Company and its subsidiaries before taxation (excluding the results from discontinued operations):

(a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalized by the Company and its subsidiaries (calculated on a consolidated basis) in respect of the Relevant Period;

(b) not including any accrued interest owing to the Company or any of its subsidiaries;

(c) after adding back any amount attributable to the amortization, depreciation or impairment of assets of the Company or any of its subsidiaries; and

(d) before taking into account any exceptional, one-off, non-recurring or extraordinary items;

in each case, to the extent added, deducted, or taken into account, as the case may be, for the purposes of determining operating profits of the Company and its subsidiaries (calculated on a consolidated basis), before taxation.

"Event of Default" shall have the meaning specified in Section 4.1. "Exchange" means The New York Stock

Exchange.

"Existing Working Capital Facilities" shall mean working capital facilities of the Company and its subsidiaries that are existing as of the Closing Date and any replacements or refinancings thereof, including but not limited to, the loans incurred pursuant to BOA Loan Agreements. All Existing Working Capital Facilities are listed on Schedule 1 hereto.

"Expiration Date" shall have the meaning specified in Section 5.3(f). "Expiration Time" shall have the meaning

specified in Section 5.3(f). "Financial Year" means the annual accounting period for the Company.

"Financial Half-Year" means the period commencing on the day after one Half-Year Date and ending on the next Half-Year Date.

"Form of Notice of Conversion" means the "Form of Notice of Conversion" attached hereto as Exhibit 1.

"Fundamental Change" means the occurrence of any of the following:

(a) except as described in clause (b) below, (A) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act, other than the Company, its Subsidiaries, the employee benefit plans of the Company and its Subsidiaries and any Permitted Holder, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Company's ordinary share capital (including ordinary share capital held in the form of ADSs) representing more than 50% of the voting power of the Company's ordinary share capital or (B) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d- 3 under the Exchange Act, of more than 50% of the Company's then outstanding Ordinary Shares (including Ordinary Shares held in the form of ADSs);

(b) the consummation of (A) any recapitalization, reclassification or change of the Ordinary Shares or the ADSs (other than changes resulting from a subdivision or combination) as a result of which the Ordinary Shares or the ADSs would be converted into, or exchanged for, stock, other securities, other property or assets; (B) any share exchange, consolidation or merger of the Company or any similar transaction pursuant to which the Ordinary Shares or the ADSs will be converted into cash, securities or other property; or (C) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries and consolidated affiliated entities, taken as a whole, to any Person other than one of the Company's Subsidiaries or consolidated affiliated entities; *provided*, *however*, that a transaction described in clause (B) in which the holders of all classes of the Company's ordinary share capital immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of ordinary shares of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions vis-à-vis each other as such ownership immediately prior to such transaction shall not be a Fundamental Change pursuant to this clause (b);

(c) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company;

(d) trading of the ADSs (or Ordinary Shares or other common equity then underlying the Note) has been generally suspended for more than 10 business days (excluding any market conditions of general applicability that might cause trading to be suspended) for any reason (other than as a result of any suspension affecting markets generally), or the ADSs cease to be listed or quoted on the NYSE; or

(e) any change in or amendment to the laws, regulations and rules or the official interpretation or official application thereof (a "Change in Law") that results in (x) the Company, its subsidiaries and its consolidated affiliated entities (collectively, the "Company Group") (as in existence immediately subsequent to such Change in Law), as a whole, being legally prohibited from operating substantially all of the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) as of the last date of the period described in the Company's consolidated financial statements for the most recent fiscal quarter and (y) the Company being unable to continue to derive substantially all of the economic benefits from the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) in the same manner as reflected in the Company's consolidated financial statements for the most recent fiscal quarter.

"Guarantor" means Promethean World Limited.

"Half-Year Date" means June 30 and December 31 of each year.

"Initial Conversion Price" means 115% of the "GEHI Per Share Value" as defined under the Merger Agreement.

"Indebtedness" means for any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in the accounting treatment of such Person:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments to the extent such instruments or agreements support financial, rather than performance, obligations; for the avoidance of doubt, performance bonds issued for the account of such Person in the ordinary course of business shall be excluded from "Indebtedness;"

(c) net obligations of such Person under any Swap Contract (excluding obligations under Swap Contracts relating solely to the Notes);

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 120 days (unless being disputed in good faith by appropriate legal

proceedings and for which reserves have been established) after the date on which such trade account payable was due and payable, the "Trade Payables");

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) capital leases and Synthetic Lease Obligations; and

(h) all Guaranties of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date. For the avoidance of doubt, the Indebtedness of any Person shall not include any Trade Payables.

"Interest Payment Date" shall have the meaning specified in Section 2.1. "Legal Reservations" shall mean:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganization and other laws generally affecting the rights of creditors;

(b) the time barring of claims under any applicable law of any relevant jurisdiction, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defenses of set-off or counterclaim; and

(c) similar principles, rights and defenses under the laws of any relevant jurisdiction. "Majority Noteholders" means a holder or

holders of Notes representing more than 50%

of the total principal amount of all of the Notes outstanding at the relevant time.

"Make Whole Fundamental Change" means the occurrence of any Fundamental Change contemplated by clauses (a), (b), (d) or (e) of the definition thereof.

"Make Whole Premium" means the aggregate amount of cash interest and PIK interest that would be payable from the date of either (a) the Early Repurchase Event or (b) an acceleration of the Note pursuant to Section 4.2 due to an Event of Default contemplated under Section 4.1(a), Section 4.1(c), Section 4.1(e) or Section 4.1(f), as applicable, until the Maturity Date assuming that such Early Repurchase Event or acceleration had not occurred and cash interest and PIK interest continued to accrue and be paid up to the Maturity Date.

"Merger Event" shall have the meaning specified in Section 5.4. "Notes" shall have the meaning specified in Section

2.2.

"NYSE" means the New York Stock Exchange or any successor to it. "Ordinary Shares" shall have the meaning

specified in Section 3.2.

"Perfection Requirements" shall mean any and all registrations, filings, notarisations, notices, payment of stamp, registration, notarial or other similar taxes or fees and other actions and steps required to be made in any applicable jurisdiction in order to perfect security interests created by the Share Charge Agreement or in order to achieve the relevant priority for such security interests.

"Permitted Debt" means (a) the Existing Working Capital Facilities; (b) Indebtedness incurred for financing of acquisitions by the Company and its subsidiaries and (c) any other Indebtedness incurred for other purposes; provided that Indebtedness under item (b) or item (c) is permitted only if after incurrence of such Indebtedness, the Company is in compliance with Section 6.4(e).

"Permitted Holder" means NetDragon Websoft Holdings Limited, and any other respective "Person" or "group" subject to aggregation of share capital with NetDragon Websoft Holdings Limited under Section 13(d) of the Exchange Act.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization.

"Purchase Agreement" shall have the meaning specified in the preamble. "Purchaser" shall have the meaning specified

in the preamble. "Reference Price" shall have the meaning specified in Section 5.5.

"Relevant Period" means each period of twelve months, or such shorter period commencing on the Closing Date, ending on or about the last day of the Financial Year and each period of twelve months thereafter ending on or about the last day of each Financial Half-Year.

"Reference Property" shall have the meaning specified in Section 5.4. "Relevant Securities" shall have the meaning specified

in Section 5.3(g). "Relevant Taxing Jurisdiction" shall have the meaning specified in Section 6.1. "Reset Date" shall have the

meaning specified in Section 5.5.

"Required Holders" means the holders of two thirds of the aggregate principal amount of the Notes then outstanding.

"Rule 144" means Rule 144 promulgated under the Securities Act and any successor provision.

"Securities Act" shall have the meaning specified in the legend above. "Spin-Off" shall have the meaning specified

in Section 5.3(d).

"Spin-Off Valuation Period" shall have the meaning specified in Section 5.3(d). "Successor Company" shall have the meaning specified

in Section 13.1.

"Swap Contract" means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so- called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Trading Day" means a day on which the principal U.S. securities exchange on which the ADSs (or Ordinary Shares) listed or admitted to trading is open for the transaction of business (unless such trading shall have been suspended for the entire day).

"Trigger Event" shall have the meaning specified in Section 5.3(d). "Underlying Shares" shall have the meaning specified in

Section 5.1(d)(i).

"US$" or "$" refers to United States dollars, the lawful currency of the United States.

"Volume Weighted Average Closing Price" means, with respect to any consecutive 40- Trading Day period, the sum of the Weighted Closing Prices for each trading day during such period, where:

"Weighted Closing Price" for a trading day occurring during a consecutive 40- Trading Day period shall equal (i) the Closing Sale Price for such trading day, multiplied by (ii) the Weighting for such trading day.

"Weighting" for a trading day occurring during a consecutive 40-Trading Day period shall equal (i) the Daily Trading Volume for such trading day divided by (ii) the Aggregate Trading Volume for such period.

"Daily Trading Volume" for a trading day shall equal the aggregate volume, as reported by the Exchange, of ADS traded during such day (including at the close) on the Exchange.

"Aggregate Trading Volume" for a consecutive 40-Trading Day period shall equal the sum of the Daily Trading Volumes for each trading day during such period.

ARTICLE II PAYMENT OF INTEREST

Section 2.1 Cash Interest Payments. Cash interest shall accrue on the principal amount

of the Note (in each case computed on the basis of a 365/366-day year and the actual number of days elapsed in any year) at a rate equal to 5.00% per annum. The Company shall pay to the holder of this Note all accrued interest in cash semiannually on each [●] and [●] of each year (each, an "Interest Payment Date"), commencing on [●], 2023 and including [●], which is the final maturity date of this Note; provided, however, that the Company shall pay amounts due pursuant to this Section 2.1 with respect to the first two Interest Payment Dates on the Closing Date. Interest shall accrue on any principal payment due under this Note until such time as payment therefor is actually delivered to the holder of this Note; provided that if any portion of the principal amount is duly converted into Conversion Securities pursuant to and in accordance with the Note, cash interest shall cease to accrue on the portion of the principal amount being converted.

Section 2.2 PIK Interest Payments. PIK interest shall accrue on the principal amount of the Note (in each case compound on the basis of a 365/366-day year and the actual number of days elapsed in any year at a rate equal to 5.00% per annum. PIK interest will be payable by issuing additional notes (the "Additional Notes" and, together with the Note issued on the Closing Date, the "Notes") in an amount equal to the applicable amount of PIK interest for the interest period (rounded down to the nearest whole dollar). Not later than 10 business days prior to the relevant Interest Payment Date, the Company shall deliver to the Paying Agent the required amount of Additional Notes (rounded down to the nearest whole dollar) and a company order to authenticate and deliver such Additional Notes to each registered holder. All Additional Notes issued pursuant to an interest payment as described above will mature on the same date as the Note issued on the Closing Date. The Additional Notes shall have the same rights and benefits as the Note issued on the Closing Date, shall accrue interest on the same terms as the Note and shall be treated together with the Note as a single class for all purposes. PIK interest on the Notes for the final scheduled interest period shall be payable in cash on the Maturity Date or otherwise upon early repayment of the Notes. If any portion of the principal amount is duly converted into Conversion Securities

pursuant to and in accordance with the Note, PIK interest shall cease to accrue on the portion of the principal amount being converted. For the avoidance of doubt, all references herein to the "Note" shall mean the Note in an outstanding principal amount inclusive of all PIK interest paid thereon in the form of Additional Notes issued pursuant to this Section 2.2.

Section 2.3 Payment of Interest Upon Conversion. Accrued and unpaid cash interest and PIK interest that would have been payable on the next Interest Payment Date will not be payable with respect to any portion of the Note submitted for conversion prior to such Interest Payment Date except for (i) a Note submitted for conversion after [●] (the last Interest Payment Date prior to maturity of the Note); (ii) if a Fundamental Change has occurred and the Note is submitted for conversion prior to the last day that the Note may be submitted for repurchase pursuant to Section 6.3; or (iii) to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to the Note.

ARTICLE III

PAYMENT OF PRINCIPAL ON NOTE

Section 3.1 Scheduled Payment. Unless converted as set forth below, the principal amount (including any accrued and unpaid interest) of this Note shall be due and payable on [●], 2028.

Section 3.2 Conversion. Notwithstanding any provision contained in this Article III, the holder of this Note may convert, indirectly through the procedure set forth Section 5.1(c), all or any portion of the outstanding principal amount (including any accrued and unpaid interest) of this Note into ordinary shares of the Company, par value US$0.001 per share ("Ordinary Shares"), in accordance with Article V, until such time as the outstanding principal amount (including any accrued and unpaid interest) has been paid in full. Subject to terms of Section 5, at the option of the holder of the Note, the Ordinary Shares deliverable upon conversion may be delivered in the form of the Company's American Depository Shares ("ADSs"), each representing one Ordinary Share.

Section 3.3 Optional Redemption. At any time and from time to time following the third anniversary of the Closing Date, the Company may, at its option, redeem all or any portion of the Notes then outstanding at a redemption price equal to 100% plus the Make Whole Premium. The Company will provide notice of such redemption to the Agent at least 30 Trading Days and no more than 60 Trading Days before the date of such redemption.

ARTICLE IV

EVENTS OF DEFAULT; REMEDIES ON DEFAULT

Section 4.1 Event of Default. An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of principal or interest on the Note when the same becomes due and payable, whether at maturity, an Interest Payment Date or at a

date fixed for prepayment or by declaration or otherwise and such failure to pay is not cured within three (3) business days after the occurrence thereof; or

(b) the Company defaults in the performance of, or compliance with, any material term contained in any Bond Document and the default is not remedied (if capable of being remedied) within forty five (45) days after the Company receives written notice of the default from the holder of the Note; or

(c) the Company (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property or (v) is adjudicated as insolvent or to be liquidated; or

(d) the Company or any subsidiary of the Company fails to pay principal when due (whether at stated maturity or otherwise) or an uncured default exists that results in the acceleration of maturity of any indebtedness for borrowed money of the Company or any subsidiary of the Company in an aggregate amount in excess of US$10,000,000 (or its foreign currency equivalent), unless such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within the longer of (i) ninety (90) days and (ii) any applicable cure period set forth in the relevant agreement or instrument; or

(e) one or more final non-appealable judgments for the payment of money in any aggregate amount in excess of US$10,000,000 shall be rendered against the Company or any subsidiary of the Company and the same shall remain undischarged for a period of sixty (60) days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Company or any subsidiary of the Company to enforce any such judgment;

(f) a court or governmental authority of competent jurisdiction enters an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, or any such petition shall be filed against the Company and such petition shall not be dismissed within sixty (60) days; or

(g) (i) the Guaranty or the Share Charge Agreement ceases to be in full force and effect, subject to Legal Reservations and Perfection Requirements (for so long as the Perfection Requirements are not overdue in accordance with the terms of the Guaranty or the Share Charge Agreement); (ii) the Company, the Guarantor, the Chargor or any other Person contests in writing the validity or enforceability of the Guaranty or the Share Charge Agreement to which it is a party; or (iii) the Company, the Guarantor, or the Chargor or any other Person denies in writing that it has any or further liability or obligation under the Guaranty or the Share Charge Agreement to which it is a party, or purports in writing to revoke, terminate or rescind the Guaranty or the Share Charge Agreement.

Section 4.2 Acceleration.

(a) If an Event of Default with respect to the Company described in Section 4.1 has occurred, the Note shall automatically become immediately due and payable, and the Note will forthwith mature and the entire unpaid principal amount together with all accrued and unpaid interest, and the applicable Make Whole Premium shall all be immediately due and payable.

(b) Upon the Note becoming due and payable under this Section 4.2, whether automatically or by declaration, the Note will forthwith mature and the entire unpaid principal amount (including any accrued and unpaid interest, which shall accrue at the Default Rate from the date on which the Note became due and payable under this Section 4.2, and in the case of an Event of Default contemplated under Section 4.1(a), Section 4.1(c), Section 4.1(e) or Section 4.1(f), together with the applicable Make Whole Premium) shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived.

Section 4.3 Other Remedies. If any Event of Default has occurred and is continuing, and irrespective of whether the Note has become or has been declared immediately due and payable under Section 4.2, the holder of the Note may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, for an injunction against a violation of any of the terms hereof or thereof or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 4.4 No Waivers or Election of Remedies; Expenses. No course of dealing and no delay on the part of the holder of the Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. The Company shall pay the principal amount (including any accrued and unpaid interest) of the Note without any deduction for any setoff or counterclaim. No right, power or remedy conferred by any Bond Document upon the holder of this Note shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. The Company will pay to the holder of the Note on demand such further amount as shall be sufficient to cover all reasonable costs and expenses of such holder incurred in any enforcement or collection under this Article IV, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

ARTICLE V CONVERSION

Section 5.1 Conversion Procedure.

(a) At any time prior to the payment of this Note in full, the holder of this Note may convert all or any portion of the outstanding principal amount this Note into a number of Ordinary Shares equal to the product obtained by dividing (i) the portion of the principal amount designated by such holder to be converted, by (ii) the Conversion Rate then in effect. After the date on which (x) the Ordinary Shares deliverable upon conversion have been registered in

accordance with terms of the Bond Documents or (y) the holder of this Note is permitted to sell the Ordinary Shares deliverable upon conversion under Rule 144 (or any other exemption from registration) under the Securities Act without limitation on the amount of securities sold or the manner of sale, if the Company has ADSs traded on the Exchange, the Ordinary Shares deliverable upon conversion may, at the request of the holder of this Note, be delivered in the form of ADSs. For the avoidance of doubt, the Company shall not have any obligation to deliver the Ordinary Shares upon conversion in the form of ADSs if at that time the Company's ADSs are not then listed for trading on the NYSE.

(b) Before any holder of this Note shall be entitled to covert this Note as set forth above, such holder shall complete, manually sign, and deliver an irrevocable notice to the Agent as set forth in the Form of Notice of Conversion (or a facsimile, PDF or other electronic transmission thereof) at the office of the Agent and state in writing therein the principal amount of Notes to be converted and the name or names (with addresses) in which such holder wishes the certificate or certificates for any Ordinary Shares or ADSs to be delivered upon settlement.

(c) Except as otherwise expressly provided herein, each conversion of this Note shall be deemed to have been effected as of the close of business on the date on which this Note or any portion thereof has been surrendered for conversion at the principal office of the Company (the "Conversion Date"). At such time as such conversion has been effected, the rights of the holder of this Note as such holder to the extent of the conversion shall cease, and the Person or Persons in whose name or names the Ordinary Shares (or ADSs, if applicable) are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the securities represented thereby.

(d) As soon as possible after a conversion has been effected (but in any event within five (5) business days in the case of clause (i) below), the holder of this Note shall subscribe for the number of Ordinary Shares issuable upon conversion (in whole or in part) of this Note, and the Company shall do the following:

(i) register the issuance to the converting holder of the number of Ordinary Shares issuable upon conversion (in whole or in part) of this Note (the "Underlying Shares") in the Company's share transfer registry;

(ii) issue the Underlying Shares and, if so requested by the holder of the Note, deposit such Underlying Shares with the Depositary, in the name and on behalf of the holder of the Note;

(iii) if so requested by the holder of the Note, cause the Depositary to issue and deliver to the converting holder certificates or a book-entry transfer for the number of ADSs to which the holder shall be entitled against deposit of the Underlying Shares, pursuant to the Deposit Agreement; and

(iv) deliver to the converting holder a new Note representing any portion of the principal amount that was represented by the Note surrendered to the Company in connection with such conversion, but which was not converted or which could not be converted because it would have required the issuance of a fractional Ordinary Share.

The converting holder shall cooperate with the Company and, if applicable, the Depositary or the share registrar for the Ordinary Shares to facilitate the process outlined above, including through the execution of a subscription form for the Ordinary Shares satisfactory to the converting holder and, if applicable, the execution of a power of attorney authorizing the Company to deliver the Underlying Shares to the converting holder or the Depositary on such holder's behalf and the converting holder providing such representations, certificates or other documentation as may be reasonably required in connection with such delivery.

(e) The issuance of the Underlying Shares and, if applicable, ADSs upon conversion of this Note shall be made without charge to the holder hereof for any issuance tax in respect thereof or other cost incurred by the Company in connection with such conversion and the related issuance of Underlying Shares or ADSs, unless the tax is due because the holder requests such Underlying Shares or ADSs to be issued in a name other than the holder's name, in which case the holder shall pay the tax. Upon conversion of this Note, the Company shall take all such actions as are necessary in order to ensure that the Ordinary Shares and ADSs issuable with respect to such conversion shall be validly issued, fully paid and nonassessable.

(f) To the extent commercially practicable and consistent with the Company's requirements in respect of establishing entitlement to any distribution or other rights attaching to the ADSs or the Ordinary Shares or as otherwise required by applicable law or regulation, the Company shall not close its books against the transfer of Ordinary Shares or ADSs issued or issuable upon conversion of this Note in any manner which interferes with the timely conversion of this Note. Notwithstanding the foregoing, if a Conversion Date would otherwise fall during a period in which the register of ADSs or the Ordinary Shares is closed, such Conversion Date will be postponed to the first Trading Day following the expiry such closure.

Section 5.2 Conversion Rate. The initial Conversion Rate per $1,000 principal amount of the Note shall be equal to the product of (i) $1,000 divided by (ii) Initial Conversion Price (subject to adjustment as provided in this Article V, the "Conversion Rate"). To address dilution of the conversion rights granted under the Note, the Conversion Rate shall be subject to adjustment from time to time pursuant to Section 5.3. The Conversion Rate will also be subject to adjustment pursuant to Section 5.5 and upon the occurrence of certain Make Whole Fundamental Changes pursuant to Section 6.2.

Section 5.3 Adjustments to Conversion Rate. If the number of Ordinary Shares represented by each ADS is changed, after the date of this Note, for any reason other than one or more of the events described in this Section 5.3, the Company shall make an appropriate adjustment to the Conversion Rate such that the number of Ordinary Shares represented by the ADSs upon which conversion of the Note is based remains the same. In addition, the Conversion Rate shall be adjusted from time to time by the Company as follows:

(a) In case the Company shall, at any time or from time to time while the Note is outstanding, pay a dividend in Ordinary Shares (directly or in the form of ADSs) or make a distribution in Ordinary Shares to all or substantially all holders of Ordinary Shares, then the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such dividend or distribution;

OS_0 = the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution; and

OS_1 = the number of Ordinary Shares that would be outstanding immediately after, and solely as a result of, such dividend or distribution.

Any adjustment made pursuant to this Section 5.3(a) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such dividend or distribution. If any dividend or distribution that is the subject of this Section 5.3(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors of the Company (the "Board of Directors") publicly announces its decision not to pay or make such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. For purposes of this Section 5.3(a), the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution shall not include Ordinary Shares held in treasury, if any. The Company will not pay any dividend or make any distribution on Ordinary Shares held in treasury, if any.

(b) In case outstanding Ordinary Shares (directly or in the form of ADSs) shall be subdivided or split into a greater number of Ordinary Shares or combined or reverse split into a smaller number of Ordinary Shares (in each case, other than in connection with a transaction to which Section 5.4 applies), the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the effective date of such subdivision or combination;

CR_1 = the Conversion Rate in effect on the effective date of such subdivision or combination;

the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the effective date of such subdivision or combination; and

OS_0 =

OS_1 = the number of Ordinary Shares that would be outstanding immediately after, and solely as a result of, such subdivision or combination.

Any adjustment made pursuant to this Section 5.3(b) shall become effective immediately prior to 9:00 a.m., New York City time, on the effective date of such subdivision or combination.

(c) In case the Company shall issue rights (other than rights issued pursuant to a shareholders' rights plan or a dividend or distribution on Ordinary Shares in Ordinary Shares as set forth in (a) above) or warrants to all or substantially all holders of its Ordinary Shares (whether direct or in the form of ADSs), other than an issuance in connection with a transaction to which Section 5.4 applies, entitling them to purchase, for a period expiring within forty-five (45) calendar days of the date of issuance, Ordinary Shares (directly or in the form of ADSs) at a price per Ordinary Share less than the average of the Closing Sale Prices of the ADSs divided by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for the distribution, the Conversion Rate shall be adjusted based on the following formula:

$$OS_0 + X$$

$$\text{———}^{0}CR_1 = CR_0 \times OS + Y$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such issuance;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such issuance;

OS_0 = the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such issuance;

X = the total number of Ordinary Shares issuable (directly or in the form of ADSs) pursuant to such rights or warrants; and

Y = the number of Ordinary Shares equal to the quotient of (x) aggregate price payable to exercise such rights or warrants, divided by (y) the average of the Closing Sale Prices of the ADSs during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex- dividend date for such issuance.

Any adjustment made pursuant to this Section 5.3(c) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such issuance. If any rights or warrants described in this Section 5.3(c) are not so issued, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its

decision not to issue such rights or warrants, to the Conversion Rate that would then be in effect if such issuance had not been declared. To the extent that such rights or warrants are not exercised prior to their expiration or Ordinary Shares are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of Ordinary Shares actually delivered. In determining the aggregate price payable to exercise such rights and warrants, there shall be taken into account any consideration received by the Company for such rights or warrants and the value of such consideration (if other than cash, to be determined in good faith by the Board of Directors). For purposes of this Section 5.3(c), the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex- dividend date for such issuance shall not include Ordinary Shares held in treasury, if any. The Company will not issue any such rights or warrants in respect of Ordinary Shares held in treasury, if any.

(d) In case the Company shall, by dividend or otherwise, distribute to all or substantially all holders of its outstanding Ordinary Shares (whether direct or in the form of ADSs) of any class of capital stock of the Company or evidences of its indebtedness or assets (including securities, but excluding (i) any dividends or distributions referred to in Section 5.3(a), (ii) any rights or warrants referred to in Section 5.3(c), (iii) any dividends or distributions referred to in Section 5.3(e), (iv) any dividends or distributions in connection with a transaction to which Section
5.4 applies, or (v) any Spin-Offs to which the provisions set forth below in this Section 5.3(d) applies) (any of the foregoing hereinafter in this Section 5.3(d) called the "Distributed Assets"), then, in each such case, the Conversion Rate shall be adjusted based on the following formula:

SP_0

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such distribution;

SP_0 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and

FMV = the fair market value on the ex-dividend date for such distribution of the Distributed Assets so distributed applicable to one (1) Ordinary Share, as determined in good faith by the Board of Directors.

In the event where there has been a payment of a dividend or other distribution on the Ordinary Shares (directly or in the form of ADSs) or shares of capital stock of any class or series,

or similar equity interest, of or relating to a Subsidiary or other business unit of the Company (a "Spin-Off") that are, or when issued, will be, traded or listed on the New York Stock Exchange, the Nasdaq Global Market, the Nasdaq Global Select Market or any other U.S. national securities exchange or market, then the Conversion Rate shall instead be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such distribution;

FMV_0 = the average of the Closing Sale Prices of the Distributed Assets applicable to one (1) Ordinary Share during the ten consecutive trading day period commencing on and including the effective date of the Spin-Off (the "Spin- Off Valuation Period"); and

MP_0 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the Spin-Off Valuation Period.

Any adjustment made pursuant to this Section 5.3(d) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such distribution. If any dividend or distribution of the type described in this Section 5.3(d) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

Rights or warrants distributed by the Company to all holders of Ordinary Shares (whether direct or in the form of ADSs) entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such Ordinary Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Ordinary Shares, shall be deemed not to have been distributed for purposes of this Section 5.3 (and no adjustment to the Conversion Rate under this Section 5.3 will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 5.3(d). If any such right or

warrant, including any such existing rights or warrants distributed prior to the date of this Note, are subject to events, upon the occurrence of which such rights or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and record date with respect to new

rights or warrants with such rights. In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 5.3 was made, (A) in the case of any such rights or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Ordinary Shares with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Ordinary Shares as of the date of such redemption or repurchase and (B) in the case of such rights or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights and warrants had not been issued.

No adjustment of the Conversion Rate shall be made pursuant to this Section 5.3(d) in respect of rights or warrants distributed or deemed distributed on any Trigger Event to the extent that such rights or warrants are actually distributed to a holder upon conversion of this Note.

(e) In case the Company shall pay a dividend or otherwise distribute to all or substantially all holders of its Ordinary Shares (direct or in the form of ADSs) a dividend or other distribution of exclusively cash excluding (i) any dividend or distribution in connection with the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary and (ii) any dividend or distribution in connection with a transaction to which Section 5.4 applies, then the Conversion Rate shall be adjusted based on the following formula:

SP_0

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - DIV}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such dividend or distribution;

SP_0 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and

DIV = the amount in cash per Ordinary Share the Company distributes to holders of its Ordinary Shares.

Any adjustment made pursuant to this Section 5.3(e) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such dividend or distribution.

If any dividend or distribution of the type described in this Section 5.3(e) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(f) In case of purchases of the Ordinary Shares (directly or in the form of ADSs) pursuant to a tender offer or exchange offer made by the Company or any Subsidiary of the Company for all or any portion of the Ordinary Shares (directly or indirectly in the form of ADSs), to the extent that the fair market value, as determined in good faith by the Board of Directors, of cash and any other consideration included in the payment per Ordinary Share (or equivalent payment per Ordinary Share represented by the ADSs) exceeds the Closing Sale Price of the ADSs divided by the number of ADSs then represented by each ADS on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender offer or exchange offer (as it may be amended) (the "Expiration Date"), the Conversion Rate shall be adjusted based on the following formula:

$$FMV + (SP_1 \times OS_1)$$

$$CR_1 = CR_0 \times \frac{FMV + (SP_1 \times OS_0)}{OS_1 \times SP_1}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the Expiration Date;

CR_1 = the Conversion Rate in effect immediately after 5:00 p.m., New York City time, on the Expiration Date;

FMV = the fair market value, on the Expiration Date, of the aggregate value of all cash and any other consideration paid or payable for Ordinary Shares (directly or indirectly in the form of ADSs) validly tendered or exchanged and not withdrawn as of the Expiration Date, as determined in good faith by the Board of Directors;

OS_1 = the number of Ordinary Shares outstanding immediately after the last time tenders or exchanges may be made pursuant to such tender offer or exchange offer (the "Expiration Time"), after giving effect to the purchase of all Ordinary Shares or ADSs, as the case may be, accepted for purchase or exchange in such tender or exchange offer;

OS_0 = the number of Ordinary Shares outstanding immediately before the Expiration Time; and

SP_1 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period commencing on the trading day immediately after the Expiration Date.

Any adjustment made pursuant to this Section 5.3(f) shall become effective immediately prior to 9:00 a.m., New York City time, on the trading day immediately following the Expiration Date. If the Company, or one of its Subsidiaries, is obligated to purchase Ordinary Shares (directly or indirectly in the form of ADSs) pursuant to any such tender or exchange offer, but the Company or such Subsidiary is permanently prevented by applicable law from effecting all such purchases or all such purchases are rescinded, the Conversion Rate shall be readjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of this Section 5.3(f) to any tender offer or exchange offer would result in a decrease in the Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 5.3(f).

(g) If and whenever the Company shall issue any Ordinary Shares or ADSs (other than any issuance pursuant to this Note or on the exercise of any other rights, existing as of the date of issuance of the Note, of conversion into, or exchange or subscription for, Ordinary Shares or ADSs) or issue or grant options, warrants or other rights to purchase, subscribe, convert into, exercise or exchange for Ordinary Shares or ADSs (the "Relevant Securities", which for the purposes of this definition excludes any Ordinary Shares, ADSs, option, warrant or other rights to purchase, subscribe, convert into, exercise or exchange for Ordinary Shares or ADSs issued or granted in accordance with any share incentive plan of the Company), in each case at a consideration per ADS (on an as-converted and as-exercised basis and, in the case of any issuance of Ordinary Shares, such issue price per Ordinary Share multiplied by the applicable number of Ordinary Shares then represented by each ADS) which is less than the Reference Price per ADS, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{A + B}{C}$$

where:

CR0 = the Conversion Rate in effect immediately prior to the date of issue of the Relevant Securities;

CR1 = the Conversion Rate in effect as from the date of issue of the Relevant Securities; A = the number of Ordinary Shares in issue immediately before the issue of the Relevant Securities;

B = the number of Ordinary Shares which the aggregate consideration receivable for the issue of the Relevant Securities would purchase at the price equal to (x) Reference Price, multiplied by (y) the applicable number of Ordinary Shares then represented by each ADS; and

C = the number of Ordinary Shares in issue immediately after the issue of the Relevant Securities, provided that references to the number of Ordinary Shares in the above formula shall include all the Ordinary Shares to be issued assuming that all options, warrants or other rights to purchase, subscribe, convert into, exercise or exchange for Ordinary Shares or ADSs are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

(h) In cases where:

(i) the fair market value, as determined in good faith by the Board of Directors, of Distributed Assets and cash, including with respect to a Spin-Off to which Sections 5.3(d) and 5.3(e) apply, applicable to one (1) Ordinary Share, distributed to holders of the Ordinary Shares (whether direct or in the form of ADSs) equals or exceeds the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution, or

(ii) the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution exceeds the fair market value, as determined in good faith by the Board of Directors, of such Distributed Assets or cash so distributed by less than $1.00, rather than being entitled to an adjustment in the Conversion Rate, the holder will be entitled to receive upon conversion, in addition to the ADS, the kind and amount of assets, debt securities or rights, warrants or options comprising the distribution, if any, that the holder would have received if the holder had converted this Note immediately prior to the record date for determining the shareholders entitled to receive the distribution.

(i) In addition to those adjustments required by clauses (a)-(h) of this Section 5.3, and to the extent permitted by applicable law and subject to the applicable rules of the New York Stock Exchange and any other securities exchange on which any of the Company's securities are then listed, the Company from time to time may increase the Conversion Rate by any amount for a period of at least twenty (20) business days if the Board of Directors determines that such increase would be in the Company's best interest, and the Company may (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of the Ordinary Shares or the ADSs or rights to purchase Ordinary Shares or ADSs in connection with a dividend or distribution of Ordinary Shares or ADSs (or rights to acquire Ordinary Shares or ADSs) or similar event.

(j) All calculations under this Article V shall be made in good faith by the Company in accordance with this Article V, and shall be made to the nearest cent or to the nearest one-ten thousandth (1/10,000) of an Ordinary Share, as the case may be. No adjustment need be made for rights to purchase Ordinary Shares (directly or indirectly in the form of ADSs) pursuant to a Company plan for reinvestment of dividends or for any issuance of Ordinary Shares (directly or indirectly in the form of ADSs) or convertible or exchangeable securities or, except as provided in this Section 5.3, rights to purchase Ordinary Shares (directly or indirectly in the form of ADSs) or convertible or exchangeable securities. The Company shall certify to the holder that all calculations are made in compliance with this Article V, and shall show the holder in detail the facts upon which such calculations and adjustments were made.

(k) For purposes of this Section 5.3, the number of Ordinary Shares at any time outstanding shall not include Ordinary Shares held in the treasury of the Company but shall include Ordinary Shares issuable in respect of scrip certificates issued in lieu of fractions of Ordinary

Shares. The Company will not pay any dividend or make any distribution on Ordinary Shares held in the treasury of the Company.

(l) Notwithstanding any of the foregoing clauses in this Section 5.3, the applicable Conversion Rate will not be adjusted pursuant to this Section 5.3 (i) if the holder participates in the transaction that would otherwise give rise to adjustment pursuant to this Section 5.3 on an as-converted basis or (ii) solely by reason of the issuance or conversion of any other Notes pursuant to the Bond Documents.

Section 5.4 Effect of Recapitalizations, Reclassifications and Changes of the Ordinary

Shares.

(a) In the case of:

(i) any recapitalization, reclassification or change of the ADSs or

Ordinary Shares (other than changes resulting from a subdivision or combination),

(ii) any consolidation, merger, combination or similar transaction involving the Company,

(iii) any sale, lease or other transfer to a third party of the consolidated assets of the Company and the Company's Subsidiaries substantially as an entirety or

(iv) any statutory share exchange,

in each case, as a result of which the ADS or the Ordinary Shares would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof) (any such event, a "Merger Event"), then, prior to or at the effective time of such Merger Event, the Company or the successor or purchasing Person, as the case may be, shall execute an amendment to the Note providing that, at and after the effective time of such Merger Event, the right to convert each $1,000 principal amount of the Note shall be changed into a right to convert such principal amount of Note into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of ADSs equal to the Conversion Rate immediately prior to such Merger Event would have owned or been entitled to receive (the "Reference Property," with each "unit of Reference Property" meaning the kind and amount of Reference Property that a holder of one ADS is entitled to receive) upon such Merger Event; *provided*, *however*, that any ADSs that the Company would have been required to deliver upon conversion of the Note shall instead be deliverable in the amount and type of Reference Property that a holder of that number of ADSs would have been entitled to receive in such Merger Event.

If the Merger Event causes the ADSs or Ordinary Shares to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of holder election), then (i) the Reference Property into which the Note will be convertible shall be deemed to be the weighted average of the types and amounts of consideration actually received by the holders of ADSs, and (ii) the unit of Reference Property for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one ADS. If the holders of the ADSs or Ordinary Shares receive only cash in such

Merger Event, then for all conversions for which the relevant Conversion Date occurs after the effective date of such Merger Event the consideration due upon conversion of each $1,000 principal amount of Notes shall be solely cash in an amount equal to the Conversion Rate in effect on the Conversion Date, *multiplied by* the price paid per ADS or Ordinary Share, as applicable, in such Merger Event.

Such amendment described in the second immediately preceding paragraph shall provide for anti- dilution and other adjustments that shall be as nearly equivalent as is practicable to the adjustments provided for in this Article V (it being understood that no such adjustments shall be required with respect to any portion of the Reference Property that does not consist of shares of common equity (however evidenced) or depositary receipts in respect thereof). If, in the case of any Merger Event, the Reference Property includes shares of stock, securities or other property or assets (including cash or any combination thereof) of a Person other than the Company or the successor or purchasing Person, as the case may be, in such Merger Event, then such other Person shall also execute such amendment and such amendment shall contain such additional provisions to protect the interests of the holder of the Note.

(b) The Company shall not become a party to any Merger Event unless its terms are consistent with this Section 5.4. None of the foregoing provisions shall affect the right of a holder of a Note to convert its Note pursuant to the terms of the Note.

(c) The above provisions of this Section 5.4 shall similarly apply to successive Merger Events.

Section 5.5 Conversion Price Reset. On each of the first anniversary and second anniversary of the Closing Date (each such anniversary, a "Reset Date"), if the Volume Weighted Average Closing Price of the Company's Ordinary Shares during any consecutive 40-Trading Day period in the 12 months preceding the relevant Reset Date (the "Reference Price") is below 85% of the Initial Conversion Price, the Conversion Price shall be adjusted to 115% of such Reference Price. If during the 12 months preceding a Reset Date there is more than one consecutive 40-Trading Day period when the Volume Weighted Average Closing Price is below 85% of the Initial Conversion Price, then the Conversion Price for the applicable Reset Date shall be calculated based on the lower of (i) the Volume Weighted Average Closing Price of the most recent applicable 40- Trading Day Period and (ii) the average Volume Weighted Average Closing Price for all applicable 40-Trading Day Periods within the most recent 6 months. Notwithstanding the foregoing, in no event shall the Conversion Price be lower than 60% of the Initial Conversion Price.

Section 5.6 Notices.

(a) Immediately upon any adjustment of the Conversion Rate, the Company shall give notice of such adjustment to the Agent setting forth in reasonable detail and certifying the calculation of such adjustment, and the Agent shall send written notice thereof to each holder of this Note. Immediately upon any adjustment of the Conversion Price, the Agent shall send written notice thereof to the Company and each holder of this Note, setting forth in reasonable detail and certifying the calculation of such adjustment.

(b) The Company shall send written notice to the Agent at least twenty (20) days prior to the date on which the Company closes its books or takes a record (i) with respect to any dividend or distribution upon Ordinary Shares (whether direct or in the form of ADSs), any subdivision, stock split, reverse stock split or combination, or any tender offer or exchange offer,
(ii) with respect to any pro rata subscription offer to holders of Ordinary Shares (whether direct or in the form of ADSs) or (iii) for determining rights to vote with respect to any Fundamental Change, dissolution or liquidation.

(c) The Company shall also give at least twenty (20) days' prior written notice to the Agent of the date on which any Fundamental Change, dissolution or liquidation shall take place.

ARTICLE VI CERTAIN COVENANTS

Section 6.1 Additional Amounts.

(a) All payments and deliveries made by, or on behalf of, the Company or any successor to the Company under or with respect to the Note, including payments of principal, payments of interest and payments of cash and/or deliveries of ADSs (together with payments of cash for any fractional ADS) upon conversion of the Note, shall be made free from any restriction or condition without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company or any successor to the Company is, for tax purposes, organized or resident or doing business (each, as applicable, a "Relevant Taxing Jurisdiction") or through which payment is made or deemed made (together with each Relevant Taxing Jurisdiction, a "Relevant Jurisdiction," and in each case, any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company or any successor to the Company shall pay to the holder such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by the holder after such withholding or deduction (and after deducting any taxes on the Additional Amounts) will equal the amounts that would have been received by such holder had no such withholding or deduction been required; provided that no Additional Amounts shall be payable for or on account of

(i) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(1) the existence of any present or former connection between the holder of the Note and the Relevant Jurisdiction, other than merely holding such Note or the receipt of payments thereunder, including such holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(2) the failure of the holder to comply with a timely request from the Company or any successor of the Company, addressed to the holder, to provide certification, information, documents or other evidence concerning the holder's or nationality, residence, identity or connection with the Relevant Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by statute, regulation or administrative practice of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable; or

(3) the presentation of the Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(ii) any estate, inheritance, gift, sale, transfer, excise, personal property or similar tax, assessment or other governmental charge; or

(iii) any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding from payments or deliveries under or with respect to the Note.

(b) If the Company or its successor is required to make any deduction or withholding from any payments or deliveries with respect to the Note, it shall deliver to the holder official tax receipts evidencing the remittance to the relevant tax authorities of the amounts so withheld or deducted.

Section 6.2 Increase in Conversion Rate Upon a Make Whole Fundamental Change Upon the occurrence of a Make Whole Fundamental Change, the Conversion Rate will be adjusted based on the Make Whole Premium with respect to any conversion requests made by the holder from the date of the announcement by the Company of the event giving rise to the Make Whole Fundamental Change until ten days after the consummation of such event.

Section 6.3 Repurchase of the Note Upon a Fundamental Change.

(a) Upon the occurrence of a Fundamental Change, the Company will offer to repurchase the Note at a purchase price of 100% plus accrued and unpaid interest, calculated to the date of repurchase.

(b) The Company will permit the holder of the Note to present the Note for repurchase at any time prior to ten days following the consummation of the event giving rise to the Fundamental Change.

(c) If the Fundamental Change giving rise to the repurchase obligation pursuant to this Section 6.3 is also a Make Whole Fundamental Change, then the Company will permit the holder of the Note to present the Note for repurchase pursuant to this Section 6.3 for as long as the Note may also be converted at an adjusted Conversion Price based on the Make Whole Premium, as contemplated by Section 6.2 and, in such case, the purchase price will be 100%, plus the Make Whole Premium plus (without duplication) accrued and unpaid interest.

Section 6.4 Certain Negative Covenants. So long as any Note remains outstanding, without the consent of the Majority Noteholders, the Company will not and will not permit any of its subsidiaries to,

(a) incur, directly or indirectly, including by refinancing, contingently or otherwise, or otherwise become liable in respect of, or amend the existing terms relating to, any Indebtedness; provided that this section (a) shall not restrict incurrence of any Permitted Debt or amend the existing terms of any Permitted Debt (including but not limited to, change of the amount of the commitment or credit line under such Existing Working Capital Facilities).

(b) directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) or series of related transactions with any Affiliate of the Company or any subsidiary thereof with a fair market value in excess of US$ 5,000,000, other than (i) any transaction or arrangement between or among the Company and Promethean (and its subsidiaries) undertaken in the ordinary course of business and (ii) any employment agreement or directorship agreement between any Group Company and its Affiliates.

(c) consummate any Asset Sale or Asset Acquisition, in each case in a single or series of related transactions, with a value or fair market value in excess of US$20,000,000, except for any sale or acquisition of equipment or inventory made in the ordinary course of trading.

(d) undertake any capital expenditures (other than capitalized research and development expenses) in excess of US$20,000,000 in any fiscal year.

(e) permit, at any time, the ratio of the total Indebtedness of the Company (which shall include the outstanding amount under the Note and all Permitted Debt, but exclude any outstanding amount under Existing Working Capital Facilities, (as may be amended from time to time in accordance with the terms of the Note)) to the Company's EBITDA for the most recent 12 months to exceed 3:1.

Section 6.5 Certain Securities Matters.

(a) The Company covenants that all Ordinary Shares delivered upon conversion of the Note, and, if applicable, all ADSs representing such Ordinary Shares (such Ordinary Shares and, if applicable, ADSs, the "Conversion Securities"), will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

(b) The Company covenants that, if any of the Conversion Securities require registration with or approval of any governmental authority under any federal or state law before such Conversion Securities may be validly issued upon conversion, the Company will, to the extent then permitted by the rules and interpretations of the United States Securities Exchange Commission, secure such registration or approval, as the case may be.

(c) The Company further covenants that if at any time Conversion Securities are delivered, such Ordinary Shares or ADSs are listed on the NYSE or another national securities exchange or automated quotation system the Company will use reasonable best efforts to list and

keep listed, so long as the applicable Conversion Securities shall be so listed on such exchange or automated quotation system, any Conversion Securities deliverable upon conversion of the Note.

(d) The Company further covenants to take all actions and obtain all approvals and registrations required with respect to the conversion of the Note into Conversion Securities and the issuance of Conversion Securities (including, if applicable, the deposit into the ADS facility, of the Ordinary Shares represented by such ADSs). The Company also undertakes to maintain, as long as any Note is outstanding and the public trading market for the Company's equity securities is in the form of ADSs, the effectiveness of a registration statement on Form F-6 relating to the ADSs and an adequate number of ADSs available for issuance thereunder such that ADSs can be delivered in accordance with the terms of the Note and the Deposit Agreement upon conversion of the Note in full into ADSs.

(e) If the Ordinary Shares cease to be represented by ADSs issued under a depositary receipt program sponsored by the Company, all references in this Note to the ADSs shall be deemed to have been replaced by a reference to the number of Ordinary Shares (and other property, if any) represented by the ADSs on the last day on which the ADSs represented the Ordinary Shares and as if the Ordinary Shares and the other property had been distributed to holders of the ADSs on that day. In addition, all appropriate adjustments, including adjustments to the Conversion Rate, will be made to reflect such change. In making such adjustments, where currency translations between U.S. dollars and any other currency are required, the exchange rate in effect on the date of determination will apply. The Company shall provide written notice to the Agent upon the occurrence of the foregoing.

Section 6.6 Transfers of the Note. (a) Purchaser or any subsequent holder of the Note may transfer all or a portion of the Note, in a single transaction or multiple transactions, to any third party so long as such transfer complies with the legends set forth on the Note and otherwise complies with applicable securities laws. Any transfer of the Note made in violation of this Section 6.6 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

(b) Any holder of the Note seeking to transfer all or a portion of the Note will deliver notice of such intended transfer to the Company and the Agent. Upon receipt of such Notice, the Company will take all action necessary to effect such transfer, including promptly issuing one or more new Notes to such transferees.

(c) In the event that all or a portion of the Note has been transferred to multiple holders, references in the Note to the singular form of "Note" and "holder" shall instead refer to the plural form of such words, *mutatis mutandis*.

ARTICLE VII

AMENDMENT, WAIVER AND NOTEHOLDERS' RESOLUTIONS

The provisions of any Note may only be amended with the consent of the holder of the Note, provided that the Company can amend the Note pursuant to Section 5.4 or Article XIII in any manner specifically contemplated by such provisions that does not adversely impact the legal

rights of the holder of the Note. Further, neither of the Guaranty Agreement nor the Security Agreement may be amended without the consent of the holders of the Required Holders.

The Company may at any time and shall at the request in writing of Majority Noteholders convene a meeting of holders of the Notes by giving not less than 7 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) thereof to holders of the Notes which notice shall specify the date, time and place of the meeting and shall specify the nature of the resolutions to be proposed. Such meeting shall have power by a resolution passed by the Majority Noteholders or Required Noteholders (as applicable) to, among other things, approve matters contemplated under Section 6.4, sanction any amendment or waiver or compromise or agreement or any arrangement in respect of the rights of the holders against the Company, to do anything required to be done by resolution and to assent to any amendment or abrogation of the provisions of the Notes (including all matters in relation to or in connection with the Bond Documents). A resolution signed by the Majority Noteholders shall be as valid and effectual as if it had been passed at a meeting of holders of the Notes duly convened and held. All resolutions passed at any meeting or resolutions by way of written resolutions or any actions taken by the Majority Noteholders or Required Noteholders (as applicable) shall be binding on all holders of the Notes, whether or not they are present or represented at the meeting. The provisions governing the conduct of meetings are as set out in Exhibit 2 (Provisions Governing Noteholder Meetings) hereto.

ARTICLE VIII CANCELLATION

After the entire principal amount (including any accrued and unpaid interest) at any time

owed on this Note has been paid in full or this Note has been converted in full to Ordinary Shares (or ADSs, as applicable) or other property, this Note shall be surrendered to the Company for cancellation and shall not be reissued.

ARTICLE IX PAYMENTS

This Note is payable without relief from valuation or appraisement laws. All payments to

be made to the holder of the Note shall be made in the lawful money of the United States of America in immediately available funds; provided, that the Company shall not have the right to pre-pay the outstanding principal of any Note without the consent of the holder of the Note.

ARTICLE X PLACE OF PAYMENT

Payments of principal and interest shall be delivered to the holder at an account to be

specified in writing to the Company and the Agent from time to time.

ARTICLE XI

GOVERNING LAW AND DISPUTE RESOLUTION

Section 11.1 THIS NOTE AND ALL ISSUES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW).

Section 11.2 Arbitration.

(a) Any dispute, controversy, difference or claim arising out of or relating to this Note (including without limitation any question regarding its existence, validity, interpretation, performance, breach or termination or any dispute regarding non-contractual obligations arising out of or relating to it) shall be referred to and finally resolved by arbitration in New York before a single arbitrator of the American Arbitration Association (the "AAA").

(b) The arbitrator shall be selected by application of the rules of the AAA, except that such arbitrator shall be an attorney admitted to practice law in the State of New York. Nothing in this section shall limit a party's right to obtain an injunction for a breach of the Note from a court of law. Any injunction obtained shall remain in full force and effect until the arbitrator fully adjudicates the dispute.

ARTICLE XII SUBORDINATION

This Note and the interest accrued under the Note are the senior obligations of the Company

and will rank pari passu in right of payment with all other senior and unsubordinated obligations of the Company.

ARTICLE XIII

CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 13.1 Company may Consolidate, Etc. on Certain Terms. Subject to the provisions of Section 13.2, the Company shall not consolidate with, merge with or into, or sell, convey, transfer or lease all or substantially all of its properties and assets to another Person, unless:

(a) the resulting, surviving or transferee person (the "Successor Company"), if not the Company, shall be a corporation organized and existing under the laws of the United States of America, any State thereof, the District of Columbia, the Cayman Islands, the British Virgin Islands, Bermuda or Hong Kong and the Successor Company (if not the Company) shall expressly assume, by amendment of the Note all of the obligations of the Company under the Note; and

(b) immediately after giving effect to such transaction, no Event of Default or an event that would become an Event of Default with notice and/or the passage of time shall have occurred and be continuing.

For purposes of this Section 13.1, the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of one or more Subsidiaries of the Company to another Person, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Company to another Person.

Section 13.2 Successor Corporation to Be Substituted. In case of any such consolidation, merger, sale, conveyance, transfer or lease and upon the assumption by the Successor Company by amendment to the Note of the due and punctual payment of the principal of and accrued and unpaid interest on the Note, the due and punctual delivery or payment, as the case may be, of any consideration due upon conversion of the Note and the due and punctual performance of all of the covenants and conditions of the Note to be performed by the Company, such Successor Company (if not the Company) shall succeed to and, except in the case of a lease of all or substantially all of the Company's properties and assets, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part.

ARTICLE XIV GUARANTY AND SECURITY

Section 14.1 Guaranty Agreement.

The holder of the Note shall benefit from the separate guarantee of the Note, as reflected in the Guaranty Agreement dated as of the Closing Date, as it may be amended from time to time in accordance with Article VII of this Note, by and between the Guarantor and the Agent.

Section 14.2 Security Agreement.

The holder of the Note shall benefit from a share charge granted pursuant to the Share Charge Agreement dated as of the Closing Date, as it may be amended from time to time in accordance with Article VII of this Note. The share charge may be released on the terms and subject to the conditions set forth in the Share Charge Agreement.

[Signature Page Follows]

2023.

IN WITNESS WHEREOF, the Company has executed and delivered this Note on [●],

GRAVITAS EDUCATION HOLDINGS, INC.

By: __ Name: __ Title: __

EXHBIT 1

Form of Notice of Conversion

[FORM OF NOTICE OF CONVERSION]

To: Wilmington Savings Fund Society, FSB 500 Delaware Avenue, 11th Floor Wilmington, DE 19801
Attention: Gravitas Education Holdings Inc. Administrator

The undersigned registered owner of this Note hereby exercises the option to convert this Note, or the portion hereof (that is $1,000 principal amount or an integral multiple thereof) below designated, into Ordinary Shares in accordance with the terms of this Note, and directs that any Ordinary Shares or ADSs issuable and deliverable upon such conversion, together with any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered Holder hereof unless a different name has been indicated below. Any amount required to be paid to the undersigned on account of interest accompanies this Note. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in this Note.

Dated: __

_____

_____

Signature(s)

Fill in for registration of shares if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

_____

(Name)

_____

(Street Address)

_____

(City, State and Zip Code) Please print name and address

Principal amount to be converted (if less than all): $,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

Social Security or Other Taxpayer Identification Number

EXHBIT 2

PROVISIONS GOVERNING NOTEHOLDER MEETINGS

1. Poll

On a poll, each holders of the Notes, proxy or representative will have a vote in respect of each US$1 in principal amount of Notes held or for which it is a proxy or representative. All votes will be conducted by poll.

2. Proxies

(a). Any holder of the Note shall be permitted to appoint a proxy to represent him at any meeting of holders of the Notes. A proxy need not be a holder of the Note and need not be a member of the Company. Any holder of the Note wishing to appoint a proxy must deliver to the specified office of the Company a notice in writing signed by the holder of the Note or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporation stating that the holder of the Note desires to appoint a proxy to represent the holder of the Note at the meeting. The notice shall state the name of the proxy and the notice will only be valid if delivered to the specified office of the Company at least 48 hours prior to the time appointed for the commencement of the meeting. A validly appointed proxy shall have the right to vote on a resolution or act on his or its behalf in connection with any meeting or proposed meeting. A holder of a Note which is a corporation may, by delivering to the specified office of the Company not later than 48 hours before the time fixed for any meeting a resolution of its directors or other governing body in English, authorize any person to act as its representative (a "representative") in connection with any meeting or proposed meeting of holders of the Notes.

(b). A proxy or representative so appointed shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of holders of the Notes specified in such appointment, to be the holder of the Notes to which such appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.

3. Adjournments

(a). If within a quarter of an hour after the time appointed for any meeting of holders of the Notes a quorum as set out in paragraph 2 above is not present, the meeting shall stand adjourned to such day (not being less than 14 or more than 28 days after the date of the meeting from which such adjournment takes place) and time and place as the chairman of the meeting may determine and at the adjourned meeting the holders present (whatever the amount held or represented by them) shall form a quorum. Notice of an adjourned meeting shall be given in like manner as for the original meeting and such notice shall state that the holders of the Notes present at such meeting whatever their number or the Notes held or represented by them will constitute a quorum for all purposes.

(b). The chairman of the meeting may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting which may not lawfully have been transacted at the meeting from which the adjournment took place.

(c). The chairman shall be selected by the Company, failing which the Majority Noteholders (on behalf of all Noteholders) shall be entitled to elect a chairman (who need not be a Noteholder).

(d). Holders of the Notes, proxies and representatives shall be entitled to attend and vote at any meeting of holders of the Notes.

(e). The following persons shall be entitled to attend any meeting of the holders of the Notes:

(i). representatives of the Company; and

(ii). the Company's legal and financial advisers.

4. Written Resolutions

A resolution in writing signed by or on behalf of the Majority Noteholders or Required Noteholders (as applicable) who for the time being are entitled to receive notice of a meeting in accordance with these provisions shall for all purposes be as valid as a resolution passed at a meeting of holders of Notes convened and held in accordance with these provisions. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of holders of Notes.

Schedule 1

[Existing Working Capital Facilities]

EXHIBIT C

FORM OF SHARE CHARGE AGREEMENT

DATED __2023

[ELMTREE][1]

as Chargor

and

WILMINGTON SAVINGS FUND SOCIETY, FSB

as Collateral Agent

SHARE CHARGE

[1] Note: ELMTREE's name is not confirmed yet.

CONTENTS

THIS SHARE CHARGE (referred to herein as this "**Deed**") is made and delivered as a deed on __2023

BETWEEN:

(1) [**ELMTREE]**, a company registered under the laws of [●] with company registration number [●] with its registered office at [●] (the "**Chargor**")[2]; and

(2) **WILMINGTON SAVINGS FUND SOCIETY, FSB** as security trustee for the other Secured Parties (the "**Collateral Agent**").

IT IS HEREBY AGREED AS FOLLOWS

1. **DEFINITIONS & INTERPRETATION**

1.1 Unless otherwise defined or the context otherwise requires, words or expressions defined in the Note Purchase Agreement shall have the same meaning when used in this Deed.

1.2 In addition, in this Deed:

"**Cayman Companies Act**" means the Companies Act (as amended) of the Cayman Islands.

"**Company**" means Promethean World Limited, a private limited company registered under the laws of England and Wales with company registration number 07118000 with its registered office at Promethean House Lower Philips Road, Whitebirk Industrial Estate, Blackburn, Lancashire, BB1 5TH.

"**Effective Time**" means the time at which the deed of release in respect of the Existing Share Charge takes effect.

"**Enforcement Notice**" means a written notice given by the Collateral Agent to the Chargor at any time after the occurrence of the events as set out under Clause 13.1, notifying the Chargor that the Collateral Agent intends to enforce on the Security.

"**Existing Share Charge**" the share charge agreement dated March 9, 2020 between Digital Train Limited as chargor and Madison Pacific Trust Limited as security agent in respect of the Shares under the Existing Bonds, as amended, varied, novated or supplemented from time to time.

"**Issuer**" means Gravitas Education Holdings, Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands.

"**Legal Reservations**" shall mean(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors; (b) the time barring of claims under any applicable law of any relevant jurisdiction, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defences of set-off or counterclaim; and (c) similar principles, rights and defences under the laws of any relevant jurisdiction.

"**Note Purchase Agreement**" means the senior secured convertible note purchase agreement dated April 18, 2023 by and between, the Issuer as issuer of the notes thereunder, and the

[2] Note to Draft: ELMTREE will be set up after signing of BCA.

purchaser of notes identified therein, as Purchaser, as amended, varied, novated or supplemented from time to time.

"**Obligors**" means the Chargor, the Company and the Issuer. "**Party**" means a party to this Deed.

"**Perfection Requirements**" shall mean any and all registrations, filings, notarisations, notices, payment of stamp, registration, notarial or other similar taxes or fees and other actions and steps required to be made in any applicable jurisdiction in order to perfect security interests created by the Share Charge Agreement or in order to achieve the relevant priority for such security interests.

"**Qualified Equity Financing**" means an equity financing raised by the Issuer based on an implied valuation at least equal to the merger valuation which yields cash proceeds of at least
$50,000,000 (less all fees and expenses incurred in connection with the financing).

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Secured Assets.

"**Register of Mortgages and Charges**" means the register of mortgages and charges of the Chargor maintained in accordance with section 54 of the Cayman Companies Act.

"**Related Rights**" means, in respect of any Share:

(a) all monies paid or payable in respect of that Share (whether as income, capital or otherwise);

(b) all shares, investments or other assets derived from that Share; and

(c) all rights derived from or incidental to that Share.

"**Secured Assets**" means all of the assets which from time to time are the subject of the Security created (or expressed to be created) by or under this Deed in favour of the Collateral Agent.

"**Secured Obligations**" means all present and future obligations and liabilities at any time due, owing or incurred by the Issuer, the Company and the Chargor to any of the Secured Parties under the Bond Documents (whether actual or contingent and whether owed jointly, severally or in any other capacity).

"**Secured Parties**" means the Collateral Agent and the Purchaser, together with their respective successors, assigns, and transferees.

"**Security**" means any mortgage, charge, pledge, lien, assignment or other security securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Period**" means the period beginning on the Effective Time and ending on the earliest to occur of:

(a) the date on which (i) all Notes issued pursuant to the Bond Documents have been converted and all Ordinary Shares or ADSs issued upon such conversion shall have been made eligible for listing on the New York Stock Exchange in accordance with the terms of the Bond Documents (provided that such eligibility need not be available if at the time of such conversion the Ordinary Shares or ADSs are not then tradeable under Rule 144 (or any other exemption from registration) under the Securities Act of 1933

(as amended from time to time) without limitation on the amount of securities sold or the manner of sale), and (ii) the Issuer shall have received the cash proceeds of a Qualified Equity Financing; or

(b) the later to occur of: (i) the Maturity Date with respect to the Notes; and (ii) the date on which all obligations of the Issuer pursuant to the Bond Documents are paid in full or otherwise fully satisfied (other than inchoate indemnity obligations).

"**Shares**" means all shares in the capital of the Company, present and future, held directly or indirectly by (or to the order of or on behalf of) the Chargor from time to time including any shares and investments (if any) specified in Schedule 1 (*Shares*).

"**Trust Property**" means:

(a) the Security created or evidenced or expressed to be created or evidenced under or pursuant to any of the Bond Documents (being the "**Bond Security**"), and expressed to be granted in favour of the Collateral Agent as trustee for the Secured Parties and all proceeds of that Bond Security;

(b) all obligations expressed to be undertaken by the Obligors to pay amounts in respect of its liabilities to the Collateral Agent as trustee for the Secured Parties and secured by the Bond Security together with all representations and warranties expressed to be given by the Obligors in favour of the Collateral Agent as trustee for the Secured Parties;

(c) the Collateral Agent's interest in any trust fund created pursuant to any turnover of receipt provisions in any Bond Documents; and

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Collateral Agent is required by the terms of the Bond Documents to hold as trustee on trust for the Secured Parties.

1.3 **Interpretation**

In this Deed:

(a) Unless a contrary indication appears, a reference to:

(i) the "**Chargor**", the "**Collateral Agent**", the "**Company**", the "**Issuer**", the "**Secured Parties**", or any other person shall be construed so as to include its successors in title, permitted assigns and/or permitted transferees;

(ii) a reference in this Deed to any Secured Asset or other asset includes, unless the contrary intention appears, present and future Secured Assets and other assets.

(iii) the absence of or incomplete details of any Secured Assets in any Schedule to this Deed shall not affect the legal validity or enforceability of any Security under this Deed; and

(iv) this Deed, the Note Purchase Agreement or any other agreement or instrument is a reference to this Deed, the Note Purchase Agreement or that other agreement or instrument as amended, novated, varied, released, supplemented, extended or restated or replaced from time to time (however fundamentally).

(b) A reference to a Clause or Schedule is a reference to a clause or schedule to this Deed and any reference to this Deed includes its Schedules.

(c) A provision of law is a reference to that provision as amended or re-enacted.

(d) The index to an the headings in this Deed are inserted for convenience only and are to be ignored in construing this Deed.

(e) Words importing the plural shall include the singular and vice versa.

1.4 **Third Party Rights**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and no rights or benefits expressly or impliedly conferred by this Deed shall be enforceable under that Act against the Parties by any other person.

1.5 **Collateral Agent assumes no obligation**

The Collateral Agent shall not be under any obligation in relation to the Secured Assets as a consequence of this Deed and the Chargor shall at all times remain liable to perform all obligations in respect of the Secured Assets.

1.6 **Conflicts**

Notwithstanding anything in this Deed to the contrary, the security granted in favour of the Collateral Agent remains subject to the Note Purchase Agreement. In the event of any inconsistency or conflict between the terms of this Deed and the Note Purchase Agreement, the terms of the Note Purchase Agreement shall prevail.

1.7 **Declaration of trust**

(a) Pursuant to its appointment as agent under section 9.7 of the Note Purchase Agreement, the Collateral Agent hereby accepts its appointment as agent and trustee by the Secured Parties and declares (and the Chargor hereby acknowledges) that the Trust Property (including the security constituted by this Deed) is held by the Collateral Agent as trustee for and on behalf of the Secured Parties on the basis of the duties, obligations and responsibilities set out in the Bond Documents.

(b) Section 1 of the Trustee Act 2000 shall not apply to the duties of the Collateral Agent in relation to the trusts created by this Deed or any other Bond Document. In performing its duties, obligations and responsibilities, the Collateral Agent shall be considered to be acting only in a mechanical and administrative capacity or as expressly provided in this Deed and the other Bond Documents.

(c) In acting as trustee for the Secured Parties under this Deed, the Collateral Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments. Any information received by some other division or department of the Collateral Agent may be treated as confidential and shall not be regarded as having been given to the Collateral Agent's trustee division.

2. **COVENANT TO PAY**

1.1 **Covenant to pay**

(a) The Chargor as primary obligor covenants with the Secured Parties that it shall, on demand, pay and discharge to the Secured Parties the Secured Obligations in the manner provided for in the Bond Documents pursuant to which such Secured Obligations arise and whether the relevant indebtedness, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety or in any other manner whatsoever. The Chargor hereby agrees to indemnify the Collateral Agent and each of the other Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms.

(b) The covenants contained in this Clause 2.1 and the Security created by this Deed shall not extend to or include any liability or sum which would otherwise cause any such covenant or Security to be unlawful or prohibited by any applicable law.

1.2 **Default interest**

If any amount payable by the Chargor under this Deed is not paid on its due date, interest shall accrue on a daily basis on the overdue amount from the due date of payment of such sum until the date of actual payment (both before and after judgment) at the default rate of 2% per annum higher than the rate as stipulated under Section 2.1 (*Cash Interest Payments*) of the Note.

3. **CHARGING PROVISIONS**

1.1 **General**

All Security created by the Chargor in favour of the Collateral Agent under Clause 3.2 (*Grant of Security*) is:

(a) created with full title guarantee;

(b) continuing Security for the payment and discharge of the Secured Obligations; and

(c) granted in respect of all the rights, title and interest (if any), present and future, of the Chargor in and to the relevant Secured Asset.

1.2 **Grant of Security**

With effect from the Effective Time, the Chargor charges by way of first fixed charge, in favour of the Collateral Agent as trustee for the Secured Parties, all of its present and future rights, benefits, title and interest in and to all the Shares and Related Rights which are at any time owned by the Chargor or in which the Chargor has an interest from time to time.

4. **GENERAL SECURITY PROVISIONS**

1.1 **Continuing security**

The Security constituted by this Deed shall be continuing security and shall remain in full force and effect for the duration of the Security Period and regardless of any intermediate payment, discharge, satisfaction or settlement by any person of the whole or any part of the Secured Obligations or any other act, matter or thing.

If upon final repayment and satisfaction of the Secured Obligations there shall exist any right on the part of the Chargor or any other person to draw funds or otherwise which, if exercised, would or might cause the Chargor to become actually or contingently liable to any Secured Party, whether as principal debtor or as surety for another person, then the relevant Secured

Party will be entitled to retain this Deed and all rights, remedies and powers conferred by this Deed for so long as shall or might be necessary to secure the discharge of such actual or contingent liability.

1.2 **Additional security**

The Security created, or purported to be created, by this Deed is in addition to and is not in any way prejudiced or affected by any other guarantee, Security or other right now or subsequently held by any Secured Party whether in relation to the Secured Obligations or otherwise.

1.3 **Settlements conditional**

(a) If the Collateral Agent considers (in its reasonable opinion) that any amount paid by any person (including, for the avoidance of doubt, the Chargor) in respect of the Secured Obligations could reasonably be expected to be avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been irrevocably paid.

(b) Any settlement, discharge or release between the Chargor and the Collateral Agent shall be conditional upon no Security or payment to or for the Collateral Agent by the Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency, liquidation or otherwise.

1.4 **Waiver of defences**

The liability of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 4.4, would reduce, release or prejudice any of its liability under this Deed (without limitation and whether or not known to it or the Collateral Agent) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or any other person;

(b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor or such other person;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;

(e) any amendment (however fundamental) or replacement of any Bond Document, any other document or any Security;

(f) any security, guarantee, indemnity, remedy or other right held by, or available to, a Secured Party;

(g) any unenforceability, illegality or invalidity of any obligation of any person under any document or Security; or

(h) any insolvency or similar proceedings.

1.5 **Immediate recourse**

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee, Receiver or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before enforcing its rights under and in accordance with Clause 13 (*Enforcement of Security*). This waiver applies irrespective of any law or any provision of any Bond Document or any other document to the contrary.

1.6 **Deferral of rights**

Until the end of the Security Period and unless the Collateral Agent otherwise directs in writing, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising, under this Deed:

(a) to be indemnified by any Obligor;

(b) to claim any contribution from any guarantor of any Obligor's obligations under any other Bond Document;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Secured Party under the Bond Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Bond Documents by any Secured Party;

(d) to bring legal or other proceedings for an order requiring any Obligor or any other person to make any payment, or perform any obligation, in respect of which any Obligor or other person has given a guarantee, undertaking or indemnity under any Bond Document;

(e) to exercise any right of set-off against any Obligor or any other person; and/or

(f) to claim or prove as a creditor of any Obligor or any other person in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to any such right it shall hold that benefit, payment or distribution (or so much of it as may be necessary to enable all amounts which may be or become payable to the a Secured Party by the Obligors under or in connection with the Bond Documents to be paid in full) on trust for the Secured Parties, and shall promptly pay or transfer the same to the Collateral Agent or as the Collateral Agent may direct for application in accordance with Clause 19 (*Application of proceeds*).

5. **PERFECTION OF SECURITY**

1.1 **Deposit of documents**

(a) The Chargor shall promptly after the date of the Effective Time (and in any event within 3 days of the date of this Deed) deposit with the Collateral Agent (or procure the deposit of) all certificates and other documents of title to the Shares, and stock transfer forms (executed in blank by or on behalf of the Chargor) in respect of the Shares and the Collateral Agent shall be able to hold such documents of title and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time following the occurrence of an Event of Default

to complete, under its power of attorney given in this Deed, the stock transfer forms on behalf of the Chargor in favour of itself or such other person as it shall select.

(b) The Chargor shall, promptly upon (and in any event within thirty business days of) the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares and the Related Rights (or upon acquiring any interest therein) notify the Collateral Agent of that occurrence and deposit with the Collateral Agent (or procure the deposit of): (i) all certificates and other documents of title representing such assets and (ii) such stock transfer forms or other instruments of transfer (executed in blank by or on behalf of the Chargor) in respect thereof as the Collateral Agent may require.

1.2 **Cayman Registration**

The Chargor shall upon the Effective Time, instruct its registered office provider to enter particulars as required by the Cayman Companies Act created pursuant to this Deed in the Register of Mortgages and Charges and immediately after entry of such particulars has been made, and in any event within 15 business days after the date of the Effective Time, provide the Collateral Agent with a certified true copy of the updated Register of Mortgages and Charges in a form and substance satisfactory to the Collateral Agent.

1.3 **Custodians**

The Collateral Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to all or any part of the Secured Assets as the Collateral Agent may reasonably determine and the Collateral Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any such person or be bound to supervise the proceedings or acts of any such person.

6. **NEGATIVE PLEDGE**

The Chargor shall not at any time during the Security Period create or permit to subsist any Security over all or any part of the Secured Assets other than the Security created pursuant to this Deed.

7. **RESTRICTIONS ON DISPOSALS**

The Chargor shall not at any time during the Security Period enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Secured Assets.

8. **FURTHER ASSURANCE**

1.1 The Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions and making all filings and registrations) as the Collateral Agent may reasonably specify (and in such form as the Collateral Agent may require) in favour of the Collateral Agent or its nominee(s)):

(a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Collateral Agent provided by or pursuant to this Deed or by law; and/or

(b) to, when and for so long as the Security constituted by this Deed is enforceable in accordance with Clause 13 (*Enforcement of Security*), facilitate the realisation of the

assets which are, or are intended to be, the subject of the Security created by or under this Deed.

1.2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary or desirable for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Collateral Agent by or pursuant to this Deed.

1.3 Any document required to be executed by the Chargor under this Clause 8 will be prepared at the cost of the Chargor.

9. REPRESENTATIONS

1.1 General

The Chargor makes the representations and warranties set out in this Clause 9 to the Secured Parties.

1.2 Status

It is a company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

1.3 Binding obligations and security

(a) Subject to the Legal Reservations, the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations; and

(b) This Deed creates the Security which it purports to create and the Security is valid and effective.

1.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or other document binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or other document.

1.5 Power and authority

Subject to the Legal Reservations and the Perfection Requirements, it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by it.

1.6 Validity and admissibility in evidence

Subject to the Legal Reservations and the Perfection Requirements, all authorizations required:

(a) to enable it lawfully to execute, deliver and perform its obligations this Deed; and

(b) to make this Deed admissible in evidence in its jurisdiction of incorporation (other than, in respect of the Cayman Islands, the payment of stamp duty referred to in Clause 9.7 (*No filing or stamp taxes*)),

have been obtained or effected and are in full force and effect.

1.7 **No filing or stamp taxes**

No stamp registration duty or similar tax or charge is payable under the laws of its jurisdiction of incorporation in respect of this Deed provided that stamp duty will be payable in respect of this Deed if this Deed is executed in, brought into or produced before a court of the Cayman Islands.

1.8 **Good title to assets**

It has a good, valid and marketable title to the Secured Assets and none of the Secured Assets is entitled to immunity on any grounds from any legal proceeding.

1.9 **Legal and beneficial ownership**

It is the sole legal and beneficial owner of the assets over which it purports to grant Security in this Deed, free from any other Security.

1.10 **Shares**

(a) The Shares are:

(i) fully paid;

(ii) not subject to any option to purchase or similar rights; and

(iii) freely transferable with no consents being required to the transfer or its registration.

(b) The Shares constitute the whole of the issued share capital of the Company.

1.11 **Ranking**

Subject to the Legal Reservations and the Perfection Requirements, the Security created by this Deed has or will, upon registration of the particulars of the Security in accordance with Clause 5.2 (*Cayman registration*), have first ranking priority and it is not subject to any prior ranking or *pari passu* Security.

1.12 **No default**

No event or circumstance has occurred which constitutes a default under any deed or instrument which is binding on it, or to which its Secured Assets are subject.

1.13 **Times when representations made**

(a) All the representations and warranties in this Clause 9:

(i) are made by the Chargor on the date of this Deed; and

(ii) shall be deemed to be repeated by the Chargor on each day falling within the Security Period.

(b) Each representation or warranty made or deemed to be repeated after the date of this Deed shall be made or deemed to be repeated by reference to the facts and circumstances existing at the date the representation or warranty is made or deemed to be repeated.

10. VOTING RIGHTS AND DIVIDENDS

1.1 Voting rights and dividends prior to an Event of Default

Prior to the occurrence and during the continuance of an Event of Default, the Chargor shall:

(a) be entitled to receive all dividends, interest and other monies or distributions of an income nature arising from the Shares;

(b) be entitled to exercise all voting rights in relation to the Shares, provided that:

(i) it does so for a purpose not inconsistent with other provisions of this Deed and the Bond Documents; and

(ii) the exercise of or, as the case may be, the failure to exercise those rights would not affect the fundamental characteristics or have an adverse effect on the ability of the Collateral Agent to realise the Security and would not otherwise prejudice the interests of any Secured Parties under any Bond Document.

1.2 Voting rights and dividends after an Event of Default

Upon the occurrence of an Event of Default, the Collateral Agent may, at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor:

(a) exercise (or refrain from exercising) any voting rights in respect of the Shares;

(b) apply all dividends, interest and other monies arising from the Shares (if any) as though they were the proceeds of sale in accordance with Clause 19 (*Application of Proceeds*);

(c) transfer the Shares into the name of the Collateral Agent or such nominee(s) of the Collateral Agent as it shall require; and

(d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares including the right, in relation to the Company, to concur or participate in:

(i) the reconstruction, amalgamation, sale or other disposal of the Company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);

(ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and

(iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Collateral Agent thinks fit, and the proceeds of any such action shall form part of the Shares.

1.3 **Payment of calls**

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Shares, and in any case of default by it in such payment, the Collateral Agent may, if it thinks fit, but is not obliged to, make such payment on its behalf in which case any sums paid by the Collateral Agent shall be reimbursed by the Chargor to the Collateral Agent on demand and shall carry interest from the date of payment by the Collateral Agent until reimbursed in accordance with Clause 2.2 (*Default interest*).

1.4 **Exercise of rights**

The Chargor shall not exercise any of its rights and powers in relation to any of the Shares in any manner which would prejudice the value of, or the ability of the Collateral Agent to realise, the Security created pursuant to this Deed.

11. **GENERAL UNDERTAKINGS**

1.1 **Secured Assets**

The Chargor shall during the Security Period in respect of any Secured Asset:

(a) take all such steps and do all such acts as may be necessary or desirable to preserve and maintain the subsistence, validity and value of such Secured Assets;

(b) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any lease, agreement or other document) from time to time affecting any of the Secured Assets or their use or enjoyment; and

(c) not use or permit any such Secured Asset to be used in any way which may adversely affect its value.

1.2 **Retention of documents**

The Collateral Agent may retain any document constituting part of the Secured Assets delivered to it pursuant to this Deed or otherwise until the Security created by this Deed is released and if for any reason it ceases to hold any such document before such time, it may by notice to the Chargor require that the relevant document, to the extent in the Chargor's possession, be redelivered to it and the Chargor shall promptly comply (or procure compliance) with such notice, to the extent reasonably possible.

1.3 **Defence of Secured Assets**

The Chargor shall take all such reasonable and necessary action, at its own expense, to appear in and defend any action, suit or proceeding which purports to affect its title to, or right or interest in, the Secured Assets.

1.4 **Compliance with obligations**

The Chargor shall:

(a) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any lease, agreement or other document) from time to time affecting any of the Secured Assets or their use or enjoyment;

(b) comply with all (and not permit any breach of any) bye-laws and other laws and

regulations (whether relating to planning, building or any other matter) affecting any of the Secured Assets; and

(c) pay (or procure the payment of) all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Secured Assets.

1.5 **Enforcement of rights**

The Chargor shall at its own cost use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Collateral Agent may from time to time require.

1.6 **Preservation of Secured Assets**

The Chargor shall do and perform all reasonable acts that may be necessary to maintain, preserve and protect the Secured Assets.

1.7 **Issuance of Shares**

The Chargor will not consent to or approve, or allow the Company to consent to or approve, the issuance to any person of any additional shares of any class or any other equity interest of the Company, or of any securities convertible into or exchangeable for any such shares or other equity interests, or any warrants, options or other rights to purchase or otherwise acquire any such shares or other equity interests, except as (1) permitted under the Bond Documents or (2) any such issuance to (a) the Chargor or (b) the Issuer and **provided that** any further shares of any class or any other equity interest of the Company, or of any securities convertible into or exchangeable for any such shares or other equity interests, or any warrants, options or other rights to purchase or otherwise acquire any such shares or other equity interests in the Company, issued to the Chargor shall form part of the Secured Assets and, upon any such issuance, the Chargor shall deliver to the Collateral Agent the items listed in Clause 5.1 (*Deposit of documents*).

12. **SECURITY POWER OF ATTORNEY**

1.1 **Appointment and powers**

The Chargor, by way of security for the performance of its obligations under this Deed, irrevocably appoints the Collateral Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to, when and for so long as the Security constituted by this Deed is enforceable in accordance with Clause 13 (*Enforcement of Security*), execute, deliver and perfect all documents and do all things which the attorney may (acting in its sole discretion) consider to be required or desirable for:

(a) carrying out any obligation imposed on the Chargor by this Deed but following the expiry of any time period permitted for the performance has failed to do so by the date it was obliged to do (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Secured Assets); or

(b) following the occurrence of an Event of Default, enabling the Collateral Agent exercise, or delegate the exercise of, all or any of the rights, powers and remedies of the Collateral Agent provided by this Deed or by law.

1.2 **Ratification**

The Chargor ratifies and confirms, and agrees to ratify and confirm, whatever any attorney does or purports to do pursuant to its appointment under this Clause 12.

13. ENFORCEMENT OF SECURITY

1.1 When security is enforceable

Upon the occurrence of:

(a) an Event of Default;

(b) any event or the receipt by the Collateral Agent of any information or the coming to the attention of the Collateral Agent of any other matter or thing whatsoever which causes the Collateral Agent to reasonably believe (or determine based on the instructions of the Purchaser) that all or any part of the Secured Assets is in danger of seizure, distress or other legal process or that all or any part of the Security created by or pursuant to this Deed is otherwise for any reason whatsoever in jeopardy;

(c) the presentation of an application to the court for the making of an administration order in relation to the Chargor;

(d) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of the Chargor or the filing of such a notice with the court; or

(e) a request from the Chargor to the Collateral Agent that it exercise any of its powers under this Deed,

and in each case, upon the expiration of five (5) days after an Enforcement Notice has been delivered by the Collateral Agent to the Chargor.

1.2 Rights and Powers of the Collateral Agent

(a) The Collateral Agent may in its absolute discretion at any time when the Security hereby constituted is enforceable pursuant to Clause 13.1 :

(i) secure and perfect its title to the Secured Assets (including transferring the same into the name of the Collateral Agent or its nominee(s));

(ii) enforce all or any part of the Security created by this Deed (upon such terms and generally in such manner as the Collateral Agent thinks fit) and take possession and hold or dispose of all or any part of the Secured Assets;

(iii) without notice to the Chargor appropriate with immediate effect any of the Secured Assets and apply them (or any proceeds generated by them) in or towards the discharge of the Secured Obligations in such manner as the Collateral Agent may think fit in its absolute discretion, whether such Secured Assets are held by the Collateral Agent or otherwise;

(iv) whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on chargees and by this Deed on any Receiver or otherwise conferred by law on chargees or Receivers; and

(v) transfer the Shares and Related Rights into the name of the Collateral Agent or such nominee(s) of the Collateral Agent as it shall require.

(b) The enforcement powers of the Collateral Agent under this Deed shall be construed in the widest possible sense and all Parties intend that the Collateral Agent shall have as wide and flexible a range of enforcement powers as may be conferred (or, if not expressly conferred, as is not restricted) by any applicable law.

1.3 **Appointment of Receiver**

(a) At any time when the Security created by or under this Deed is enforceable or if otherwise requested by the Chargor, the Collateral Agent may in writing appoint any person or persons to be a Receiver in respect of the Secured Assets or any part thereof and may remove any Receiver so appointed and appoint another. The Collateral Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A of the Insolvency Act 1986.

(b) The power of appointment of a Receiver expressly provided under this Deed shall be in addition to all statutory and other powers of appointment of the Collateral Agent under the Law of Property Act 1925 (as extended by this Deed) and such powers shall remain exercisable from time to time by the Collateral Agent in respect of all or any part of the Secured Assets.

(c) Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between the Receiver and the Collateral Agent. The Chargor shall be solely responsible for the payment of the remuneration of any Receiver appointed pursuant to this Deed.

(d) The Receiver shall, for all purposes, be the agent of the Chargor (who shall be solely liable for his acts, defaults and remuneration, unless and until the Chargor goes into bankruptcy or liquidation and thereafter he shall act as principal and shall not become the agent of the Collateral Agent or any other beneficiaries).

1.4 **Rights and Powers of Receiver**

At any time when the Security created by or under this Deed is enforceable, any Receiver appointed pursuant to Clause 13.3 (*Appointment of Receiver*) shall have the following rights and powers in relation to the Secured Assets in respect of which it is appointed:

(a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;

(b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);

(c) to secure and perfect its title to the Secured Assets (including transferring the same into the name of the Collateral Agent or its nominee(s));

(d) to take possession of and hold or sell, realise, transfer or otherwise dispose of the Secured Assets (or any of them), at any time and in any way it deems expedient, free from any restrictions and claims. The consideration for any such transaction may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and may be payable or delivered, immediately or deferred, in one amount or by instalments over such period of time as the Collateral Agent or Receiver may think fit. Neither the Collateral Agent nor any Receiver shall be liable for any loss arising out of such sale, realisation or disposal;

(e) without prejudice to any other provision of this Deed, to collect, recover or compromise and give a good discharge for any dividends, interests or other moneys accruing or payable on the Secured Assets (or any of them);

(f) without prejudice to any other provision of this Deed, to exercise all voting and other rights attached to the Shares and Related Rights (or any of them) for any purpose, whether for the winding-up of the Chargor's affairs or the realisation of all or any part of its assets or otherwise;

(g) to remove the directors of the Chargor and appoint such other persons as directors of the Chargor as the Receiver may decide;

(h) to manage and preserve the Secured Assets (or any of them) and to do (or permit the Chargor or any of its nominees to do) all such things as the Collateral Agent or such Receiver would be capable of doing if it was the absolute beneficial owner of the relevant Secured Assets;

(i) to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to the Secured Assets (or any of them);

(j) to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Chargor or the Secured Assets (or any of them);

(k) to redeem any Security (whether or not having priority to the Security created under this Deed) over the Shares and Related Rights (or any of them), to procure the transfer of that Security to itself and/or to settle the accounts of any person with an interest in the Chargor or the Secured Assets (or any of them);

(l) to raise or borrow money from or incur any other liability to any person either unsecured or on the security of any Secured Asset either in priority to the Security created under this Deed and generally on any terms and for whatever purpose;

(m) to appoint and discharge managers, officers, agents, accountants, and others for the purposes of this Deed upon such terms as to remuneration or otherwise as such Receiver sees fit;

(n) to exercise all the rights which may be exercisable by the registered holder or bearer of the Secured Assets (or any of them) and all other rights conferred on receivers and/or mortgagees by statute or common law;

(o) to do anything else such Receiver may think fit for the realisation and enforcement of the rights under this Deed or which may be incidental to the exercise of any of the rights conferred on the Collateral Agent or such Receiver under or by virtue of any Bond Document to which the Chargor is a party, and other applicable statutory provisions and applicable laws; and

(p) to spend such reasonable sums as is necessary in order to exercise any of the above rights and the Chargor shall pay to the Receiver all sums so spent.

1.5 **General**

(a) For the purposes of determining whether any statutory power has arisen or become exercisable, the Secured Obligations shall be deemed to have become due and payable on the date of this Deed.

(b) The power of sale or other disposal conferred on the Collateral Agent and on the Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

(c) The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed or to the exercise by the Collateral Agent of its right to consolidate all or any of the Security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale.

1.6 **Contingencies**

If the Collateral Agent enforces the Security constituted by or under this Deed at a time when no Secured Obligations are due to it but at a time when amounts may or will become so due, the Collateral Agent may pay the proceeds of any recoveries received by it into an interest bearing suspense account.

1.7 **No liability as mortgagee in possession**

The Collateral Agent shall not be liable to account as a mortgagee or a mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee or mortgagee in possession might otherwise be liable.

1.8 **Redemption of prior mortgages**

At any time when the Security created by or under this Deed is enforceable, the Collateral Agent may, at the sole cost of the Chargor (payable to the Collateral Agent on written demand):

(a) redeem any prior form of Security over any Secured Asset;

(b) procure the transfer of that Security to itself; and/or

(c) settle and pass the accounts of any prior mortgagee, the Collateral Agent or encumbrancer which, once so settled and passed, shall be conclusive and binding on the Chargor.

1.9 **Right of appropriation**

(a) To the extent that the Security created by this Deed constitutes a "*security financial collateral arrangement*" and the Secured Assets constitute "*financial collateral*" for the purpose of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**"), the Collateral Agent shall have the right on giving prior notice to the Chargor, at any time when the Security is enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations.

(b) The Parties agree that the value of the appropriated Secured Assets shall be determined by the Collateral Agent by reference to any publicly available market price or, in the absence of which, by such other means as the Collateral Agent (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, the Chargor agrees that any such determination by the Collateral Agent will constitute a valuation in a "*commercially reasonable manner*".

14. **PROTECTION OF THIRD PARTIES**

1.1 A certificate of an officer or agent of the Collateral Agent to the effect that its power of sale has arisen and is exercisable shall be conclusive evidence of that fact in favour of a purchaser of all or any part of the Secured Assets. Upon receipt of such a certificate, no person (including a purchaser) dealing with the Collateral Agent or its agents has an obligation to enquire of the Collateral Agent or others:

(a) whether the Secured Obligations have become payable;

(b) whether any power purported to be exercised pursuant to the terms of this Deed or otherwise has become exercisable;

(c) whether any Secured Obligations or other monies remain outstanding;

(d) how any monies paid to the Collateral Agent shall be applied; or

(e) the status, propriety or validity of the acts of the Collateral Agent.

1.2 The receipt by the Collateral Agent shall be an absolute and conclusive discharge to a purchaser and shall relieve such purchaser of any obligation to see to the application of any monies paid to or by the direction of the Collateral Agent.

1.3 In Clauses 14.1 and 14.2, "purchaser" includes any person acquiring for money or money's worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

15. **SUSPENSE ACCOUNT**

All monies received, recovered or realised by the Collateral Agent under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Collateral Agent be credited to any suspense or impersonal account(s) maintained with any bank, building society, financial institution or other person which the Collateral Agent considers appropriate (including itself) for so long as it may think fit pending their application from time to time at the Collateral Agent's discretion, in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

16. **SUBSEQUENT SECURITY**

If the Collateral Agent receives notice of any subsequent Security or other interest affecting all or any of the Secured Assets it may open a new account or accounts for the Chargor in its books. If it does not do so then, unless it gives express written notice to the contrary to the Chargor, as from the time of receipt of such notice by the Collateral Agent, all payments made by the Chargor to the Collateral Agent shall not be treated as having been applied in reduction of the Secured Obligations.

17. **PAYMENTS**

1.1 **Currency of account**

US$ is the currency of account and payment for any sum due from the Chargor under this Deed.

1.2 **No set-off by the Chargor**

All payments to be made by the Chargor under this Deed shall be calculated and shall be made without (and free and clear of) any deduction, set-off or counterclaim.

18. **AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended only if the Collateral Agent and the Chargor so agree in writing.

19. **APPLICATION OF PROCEEDS**

All moneys received or recovered by the Collateral Agent or any Receiver pursuant to this Deed shall (subject to the claims of any person having prior rights thereto) be applied first in the payment of the costs, charges and expenses incurred in accordance with the Bond Documents and payments made by the Receiver or the Collateral Agent in accordance with this Deed, the payment of the Receiver's remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers in accordance with this Deed, and thereafter shall be applied by the Collateral Agent (notwithstanding any purported appropriation by the Chargor) in accordance with the terms of the Note Purchase Agreement.

20. **GROSS-UP**

If the Chargor is compelled by law to make any deduction or withholding from any sum payable under this Deed to the Collateral Agent, the sum so payable by the Chargor shall be increased so as to result in the receipt by the Collateral Agent of a net amount equal to the full amount expressed to be payable under this Deed.

21. **STAMP TAXES AND OTHER TAXES**

(a) The Chargor shall pay all present and future stamp, registration, notarial and similar taxes or charges which may be payable, or determined to be payable, in connection with the execution, delivery, performance or enforcement of this Deed, the Security contemplated in this Deed or any judgment given in connection therewith.

(b) The Chargor shall indemnify the Collateral Agent and any Receiver on demand against any and all costs, losses, claims or liabilities (including penalties) with respect to, or resulting from, its delay or omission to pay any such stamp, registration, notarial and similar taxes or charges.

22. **SET-OFF**

The Chargor authorises each Secured Party (but no Secured Party shall be obliged to exercise such right) to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by that Secured Party to the Chargor and apply any credit balance to which the Chargor is entitled on any account with that Secured Party in accordance with Clause 19 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

23. **MISCELLANEOUS**

1.1 **Certificates and determinations**

Any certification or determination by the Collateral Agent of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

1.2 **Fees and expenses**

The provisions of section 6.2 of the Agency Agreement shall apply as if set out herein in full, *mutatis mutandis*.

1.3 **Partial invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

1.4 **Remedies and waivers**

(a) No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy.

(b) The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

(c) A waiver given or consent granted by the Collateral Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

1.5 **No liability**

None of the Collateral Agent, its nominee(s) or any Receiver appointed pursuant to this Deed shall be liable by reason of:

(a) taking any action permitted by this Deed; or

(b) any neglect or default in connection with the Secured Assets; or

(c) taking possession or realisation of all or any part of the Secured Assets, except in the case of gross negligence or wilful default

upon its part.

1.6 **Assignment and Transfer**

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed. The Collateral Agent may assign or otherwise transfer all or any of its rights and/or obligations under this Deed to any person in accordance with the terms of the Note Purchase Agreement.

1.7 **Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Collateral Agent or any Receiver may, subject to the terms and conditions of the Note Purchase Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

1.8 **Implied Covenants for Title**

(a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Charging Provisions*).

(b) It shall be implied in respect of Clause 3 (*Charging Provisions*) that the Chargor is charging the Secured Assets free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

24. **NOTICES**

1.1 **Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and (unless otherwise expressly permitted to be given by telephone or as provided in Clause 24.3(b)) mailed by certified or registered mail, delivered by hand or overnight courier service, or sent by e-mail to the addresses in Clause 24.2.

1.2 **Addresses**

(a) The address, fax number and e-mail address (and the department or officer, if any for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified as follows:

(i) if to the Chargor, to it at [ADDRESS], Attention of [NAME OF CONTACT PERSON] (Email: __; Telephone No. __);

(ii) if to the Company,

- Promethean World Limited, Promethean House, Lower Philips Road, Blackburn, BB1 5TH.
- Attention: Legal Department;
- Email: Legal@prometheanworld.com With copy to:
- Promethean Inc., 4550 North Point Parkway, Suite 370, Alpharetta, GA 30022
- Attention: Allyson Krause, EVP and General Counsel
- Email: Allyson.Krause@prometheanworld.com
- 888-652-2848.

(iii) if to the Collateral Agent, to Wilmington Savings Fund Society, FSB at 500 Delaware Avenue, Wilmington, DE 19801, Attention of Pat Healy (Email: PHealy@wsfsbank.com).

(b) Any Party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto.

1.3 **Delivery**

(a) Any communication or document mailed by certified or registered mail or sent by hand or overnight courier service in connection with this Deed shall be deemed to have been given when received.

(b) Unless the Collateral Agent specifies otherwise, any notices and other communications:

(i) sent by e-mail shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement);

(ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in Clause 24.3(b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) In the case of Clauses 24.3(b)(i) and 24.3(b)(ii) above, if such notice, email or other communication is not sent during the recipient's normal business hours, such notice, email or communication shall be deemed to have been sent at the recipient's opening of business on the next business day.

1.4 **English language**

Any notice or document provided or given under or in connection with this Deed must be in English.

25. **RELEASE OF SECURITY**

1.1 **Release**

Upon the expiry of the Security Period, the Security created under this Deed shall terminate and the Collateral Agent shall at the request and cost of the Chargor promptly execute and deliver to the Chargor such documents and instruments reasonably requested by the Chargor as shall be necessary to evidence termination of all Security given by the Chargor to the Collateral Agent hereunder subject to Clause 4.3 (*Settlements conditional*) and without recourse to, or any representation or warranty by, the Collateral Agent or any of its nominees.

1.2 **Clawback**

If the Collateral Agent considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Deed and the Security constituted by it will continue and such amount will not be considered to have been irrevocably discharged.

26. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

27. **GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

28. **JURISDICTION**

The parties to this Deed shall submit all disputes arising under this Deed to arbitration in New York, New York before a single arbitrator of the American Arbitration Association (the "**AAA**"). The arbitrator shall be selected by application of the rules of the AAA, or by mutual agreement of the parties. No party hereto will challenge the jurisdiction or venue provisions as provided in this section. Nothing in this section shall limit a party's right to obtain an injunction for a breach of this Deed from a court of law. Any injunction obtained shall remain in full force and effect until the arbitrator fully adjudicates the dispute.

IN WITNESS WHEREOF this Deed has been executed and delivered as a deed on the date given at the beginning of this Deed.

SCHEDULE 1 SHARES

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
[eLMTree]	Promethean World Limited	[●][3]

[3] To be provided at closing.

EXECUTION PAGE TO THE SHARE CHARGE

THE CHARGOR

Executed and Delivered as a Deed by)

[ELMTREE])

acting by:) __

Director

_____Signature of witness Name:

Address:
Occupation:

[*Signature Page to Share Charge*]

THE COLLATERAL AGENT

WILMINGTON SAVINGS FUND SOCIETY, FSB, as

Collateral Agent

By: [⚫]
Name:
Title:

[*Signature Page to Share Charge*]

EXHIBIT D

FORM OF GUARANTY

GUARANTY

This GUARANTY (this "Agreement"), dated as of [DATE], is made by and among Promethean World Limited, a company incorporated in England and Wales (the "Guarantor") and Wilmington Savings Fund Society, FSB, a federal savings bank organized under the laws of the United States, as collateral agent for the Secured Parties (as defined below) (in such capacity and together with any successors in such capacity, the "Collateral Agent").

RECITALS

WHEREAS, Gravitas Education Holdings, Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company"), has entered into a Senior Secured Convertible Note Purchase Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the "Note Purchase Agreement"; capitalized terms used herein without definition shall have the meanings ascribed thereto in the Note Purchase Agreement).

WHEREAS, the Guarantor will derive substantial direct and indirect benefits from the transactions contemplated by the Note Purchase Agreement.

WHEREAS, it is a condition precedent to the purchase of the Note by the Purchaser pursuant to the Note Purchase Agreement that the Guarantor shall have executed and delivered this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Purchaser to purchase the Note under the Note Purchase Agreement, the Guarantor hereby agrees as follows:

ARTICLE I
Definitions

For purposes of this Agreement, the following terms shall have the following meanings:

"Bankruptcy Code" means Title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

"Change in Law" means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation or treaty, or (c) the making

or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral Agent" has the meaning set forth in the Preamble hereof.

"Company" has the meaning set forth in the Preamble hereof.

"Debtor Relief Laws" means the Bankruptcy Code and all other liquidation, bankruptcy, assignment for the benefit of creditors, conservatorship, moratorium, receivership, insolvency, rearrangement, reorganization or similar debtor relief laws of the US or other applicable jurisdictions in effect from time to time.

"Excluded Taxes" means any of the following Taxes, imposed on or with respect to any Recipient or required to be withheld or deducted from a payment made to any such Recipient under this Agreement, (a) Taxes imposed on or measured by net income (however denominated), and franchise Taxes, in each case, (i) imposed by the jurisdiction (or any political subdivision thereof) under the laws of which such Recipient is organized or conducts business or in which its principal office is located, or (ii) that are Other Connection Taxes, and (b) any Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of the Note Purchase Agreement (or any amended or successor version that is substantively comparable and not more onerous to comply with), any regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Governmental Authority" means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantor" has the meaning set forth in the Preamble hereof.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made under this Agreement and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 6.03.

"Obligations" has the meaning specified in Section 2.01.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between the Recipient and the jurisdiction imposing the Tax (other than a connection arising from the execution, delivery, becoming a party to, or enforcement of, or performance under, receipt of payments under, perfecting a security interest under, or engaging in any other transaction pursuant to any Bond Document, or from the sale or assignment of an interest in any Note issued pursuant to the Note Purchase Agreement).

"Other Taxes" means any and all present or future stamp, court, recording, filing, intangible, documentary or similar Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made by the Guarantor hereunder or from the execution, delivery or enforcement or registration of, or performance under, or from the receipt or perfection of a security interest under or otherwise with respect to this Agreement or any other Bond Document.

"Post-Petition Interest" has the meaning specified in Section 2.01(a).

"Purchaser" means the Purchaser of the Note pursuant to the Note Purchase Agreement and each of its transferees.

"Recipient" means the Purchaser and the Collateral Agent.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, partners, agents, trustees, administrators, managers, advisors and representatives of it and its Affiliates.

"Secured Parties" means the Collateral Agent and the Purchaser, together with their respective successors, assigns, and transferees.

"Subordinated Obligations" has the meaning specified in Section 4.01(b).

"Taxes" means any and all present or future income, stamp or other taxes, levies, imposts, duties, deductions, charges, fees or withholdings (including backup withholding) imposed, levied, withheld or assessed by any Governmental Authority, together with any interest, additions to tax or penalties imposed thereon and with respect thereto.

"Termination Date" has the meaning specified in Section 6.05.

"Withholding Agent" means the Company, the Guarantor and the Collateral Agent.

ARTICLE II
Agreement to Guarantee Obligations

Section 2.01 Guaranty. The Guarantor, hereby absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety,

(a) the due and prompt payment by the Company of:

(i) the principal of and premium, if any, and interest at the rate specified in the Note (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding ("Post- Petition Interest")), when and as due, whether at scheduled maturity, the date set for prepayment, by acceleration or otherwise, and

(ii) all other monetary obligations of the Company to the Secured Parties under the Bond Documents, when and as due, including fees, costs, expenses (including, without limitation, the fees and expenses of counsel incurred by the Collateral Agent or any other Secured Party in enforcing any rights under this Agreement or any other Bond Document), contract causes of action and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding); and

(b) the due and prompt performance of all covenants, agreements, obligations and liabilities of the Company under or in respect of the Bond Documents;

all such obligations in subsections (a) and (b), whether now or hereafter existing, being referred to collectively as the "Obligations". The Guarantor further agrees that all or part of the Obligations may be increased, extended, substituted, amended, renewed or otherwise modified (provided that prior notice is provided to the Guarantor).

Section 2.02 Limitation of Liability. Notwithstanding anything contained herein to the contrary, the Obligations of the Guarantor hereunder at any time shall be limited to the maximum amount as will result in the Obligations of the Guarantor under this Agreement not constituting a fraudulent transfer or conveyance for purposes of any Debtor Relief Law to the extent applicable to this Agreement.

Section 2.03 Reinstatement. The Guarantor agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time all or part of any payment of any Obligation is rescinded or must otherwise be returned by any Secured Party or any other Person upon the insolvency, bankruptcy or reorganization of the Company or otherwise.

ARTICLE III
Guaranty Absolute and Unconditional; Waivers

Section 3.01 Guaranty Absolute and Unconditional; No Waiver of Obligations. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Bond Documents, regardless of any law, regulation or order of any Governmental Authority now or hereafter in effect. The Obligations of the Guarantor hereunder are independent of the Obligations of the Company or any other party under any Bond Document. A separate action may be brought against the Guarantor to enforce this Agreement, whether or not any action is brought against the Company or any other party under any Bond Document or whether or not the Company or any other party under any Bond Document is joined in any such action. The liability of the Guarantor hereunder is irrevocable, continuing, absolute and unconditional and the Obligations of the Guarantor hereunder shall not be discharged or impaired or otherwise effected by, and the Guarantor hereby irrevocably waives any defenses to enforcement it may have (now or in the future) by reason of:

(a) any illegality or lack of validity or enforceability of any Obligation or any Bond Document or any related agreement or instrument;

(b) any change in the time, place or manner of payment of, or in any other term of, the Obligations or any other obligation of any other party under any Bond Document, or any rescission, waiver, amendment or other modification of any Bond Document or any other agreement, including any increase in the Obligations resulting from any extension of additional credit or otherwise;

(c) any taking, exchange, substitution, release, impairment or non-perfection of any collateral, or any taking, release, impairment, amendment, waiver or other modification of any guaranty, for the Obligations;

(d) any manner of sale, disposition or application of proceeds of any collateral encumbered pursuant to the Share Charge Agreement or any other collateral or other assets to all or part of the Obligations;

(e) any default, failure or delay, willful or otherwise, in the performance of the Obligations;

(f) any change, restructuring or termination of the corporate structure, ownership or existence of any party under any Bond Document or any of its Subsidiaries or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Company or its assets or any resulting release or discharge of any Obligation;

(g) any failure of any Secured Party to disclose to any party under any Bond Document any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other party to any Bond Document now or hereafter

known to such Secured Party; the Guarantor waiving any duty of the Secured Parties to disclose such information;

(h) the failure of any other Person to execute or deliver this Agreement or any other guaranty or agreement or the release or reduction of liability of the Guarantor or other guarantor or surety with respect to the Obligations;

(i) the failure of any Secured Party to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Bond Document or otherwise;

(j) any defense, set-off or counterclaim (other than a defense of payment or performance) that may at any time be available to, or be asserted by, the Company against any Secured Party; or

(k) any other circumstance (including, without limitation, any statute of limitations) or manner of administering the Notes or any existence of or reliance on any representation by any Secured Party that might vary the risk of the Guarantor or otherwise operate as a defense available to, or a legal or equitable discharge of, any party under any Bond Document.

Section 3.02 Waivers and Acknowledgements.

(a) The Guarantor hereby unconditionally and irrevocably waives any right to revoke this Agreement and acknowledges that this Agreement is continuing in nature and applies to all presently existing and future Obligations.

(b) The Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Agreement and any requirement that any Secured Party protect, secure, perfect or insure any Lien or any property subject thereto.

(c) The Guarantor hereby unconditionally and irrevocably waives any defense based on any right of set-off or recoupment or counterclaim against or in respect of the Obligations of the Guarantor hereunder.

(d) The Guarantor acknowledges that the Collateral Agent may, at its election and without notice to or demand upon the Guarantor, foreclose on any Collateral or other collateral held by it by one or more judicial or non-judicial sales, accept an assignment of any such Collateral or other collateral in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Company or exercise any other right or remedy available to it against the Company, without affecting or impairing in any way the liability of the Guarantor hereunder except to the extent the Obligations have been paid in full or collateralized in full in cash. The Guarantor hereby waives any defense arising out of such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of subrogation, reimbursement, exoneration, contribution or indemnification or other right or remedy of the Guarantor against the Company or guarantor or any other collateral.

ARTICLE IV
Guarantor Rights of Subrogation, Etc.

Section 4.01 Agreement to Pay; Subrogation, Subordination, Etc.

(a) Without limiting any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor, if the Company fails to pay any Obligation when and as due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Guarantor agrees to promptly pay the amount of such unpaid Obligations to the Collateral Agent or such other Secured Party in cash. Upon payment by the Guarantor of any sums to the Collateral Agent or such other Secured Party as provided herein, all of the Guarantor's rights of subrogation, exoneration, contribution, reimbursement, indemnity or otherwise arising therefrom against the Company shall be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all Obligations. In addition, any indebtedness of the Company now or hereafter held by the Guarantor is hereby subordinated in right of payment to the prior payment in full in cash of the Obligations. If after the occurrence and during the continuance of an Event of Default, any payment shall be paid to the Guarantor in violation of the immediately preceding sentence on account of (i) such subrogation, exoneration, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Company, such amount shall be held in trust for the benefit of the Secured Parties, segregated from other funds of the Guarantor, and promptly paid or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement or assignment) to be credited against the payment of the Obligations, whether due or to become due, in accordance with the terms of the Bond Documents.

(b) The Guarantor hereby subordinates any and all obligations owed to it by the Company (the "**Subordinated Obligations**") to the Obligations to the extent provided below:

(i) After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding against the Company under any Debtor Relief Law), the Guarantor shall not accept, demand or take any action to collect any payment on the Subordinated Obligations without the prior written consent of the Collateral Agent (acting at the direction of the Required Holders).

(ii) The Guarantor agrees that the Secured Parties shall be entitled to receive full payment in cash of all Obligations (including Post-Petition Interest) in any proceeding under any Debtor Relief Law against the Company before the Guarantor receives any payment on account of any Subordinated Obligations.

(iii) After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding against the Company under any Debtor Relief Law), the Guarantor shall collect, enforce and receive payments on the Subordinated Obligations as trustee for the Secured Parties and deliver such payments to the Collateral Agent on account of the Obligations (including Post Petition Interest), together with any necessary endorsements or other instruments of transfer, without reducing or affecting the liability of the Guarantor under this Agreement in any respect.

(iv) After the occurrence and during the continuance of any Event of Default (including the commencement and continuation of any proceeding against the Company under any Debtor Relief Law), the Collateral Agent is authorized and empowered (but not obligated), in its discretion, (x) in the name of the Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any amount so received to the Obligations (including Post Petition Interest), and (y) to require the Guarantor (A) to collect and enforce and to submit claims in respect of, Subordinated Obligations and (B) to pay any amounts received on such obligations to the Collateral Agent for application to the Obligations (including Post Petition Interest).

ARTICLE V
Representations and Warranties; Covenants

Section 5.01 Representations and Warranties. The Guarantor represents and warrants that:

(a) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

(b) The Guarantor has, independently and without reliance upon any Secured Party and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and any other Bond Document to which it is or may become a party, and has established adequate procedures for continually obtaining information pertaining to, and is now and at all times will be completely familiar with, the business, condition (financial or otherwise), operations, performance, properties and prospects of the Company.

(c) Attached hereto as Exhibit A is a true and correct copy of the resolutions of the board of directors of the Guarantor authorizing the incurrence by the Guarantor of its obligations hereunder and the execution and delivery of this Agreement.

Section 5.02 Covenants. The Guarantor covenants and agrees that, until the Termination Date, such Guarantor will perform and observe, and cause each of its Subsidiaries to perform and observe, all of the terms, covenants and agreements set forth in the Bond Documents that are required to be observed by the Guarantor.

ARTICLE VI
Miscellaneous

Section 6.01 Taxes.

(a) For purposes of this Section, the term "applicable law" includes FATCA.

(b) Any and all payments by the Guarantor under or in respect of this Agreement shall be made free and clear of and without deduction or withholding for any Taxes except as required by applicable law. If the Guarantor or Withholding Agent is required by applicable law (as determined in the good faith discretion of the Guarantor or Withholding Agent) to deduct or withhold any Taxes from such payments, then: (i) if such Tax is an Indemnified Tax, the amount payable by the Guarantor shall be increased so that after all such required deductions or withholdings are made (including deductions or withholdings applicable to additional amounts payable under this Section), the applicable Recipient receives an amount equal to the amount it would have received had no such deduction or withholding been made, and (ii) the Guarantor shall make such deductions or withholdings and timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.

(c) In addition, the Guarantor shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, or at the option of the Collateral Agent timely reimburse it for the payment of, any Other Taxes.

(d) The Guarantor shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed on or attributable to amounts payable under this Section) paid or payable by the Recipient on or with respect to an amount payable by the Guarantor under or in respect of this Agreement (or required to be withheld or deducted from any such amount paid to the Recipient), together with any reasonable and documented expenses arising in connection therewith and with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate from such Recipient (or by the Collateral Agent on its own behalf or on behalf of any Recipient) as to the amount of such payment or liability delivered to the Guarantor shall be conclusive absent manifest error.

(e) Promptly after any payment of Indemnified Taxes (including Other Taxes) by the Guarantor to a Governmental Authority pursuant to this Section, the Guarantor shall deliver to the Collateral Agent the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the relevant return reporting such payment or other evidence of such payment reasonably satisfactory to the Collateral Agent.

(f) Any Recipient that is entitled to an exemption from, or reduction in the rate of, the imposition, deduction or withholding of any Indemnified Taxes with respect to payments hereunder shall deliver to the Guarantor and the Collateral Agent, at the time or times reasonably requested by the Guarantor or the Collateral Agent, such properly completed and duly executed documentation reasonably requested by the Guarantor or the Collateral Agent as will permit such payments to be made without imposition, deduction or withholding of such Indemnified Taxes or at a reduced rate. Notwithstanding anything to the contrary in the preceding sentence, the completion, execution and delivery of such documentation shall not be required if in the Recipient's reasonable judgment the completion, execution or delivery of such documentation would materially prejudice the legal or commercial position of such Recipient or subject such Recipient to any material unreimbursed cost or expense.

(g) If a payment made to a Recipient hereunder would be subject to US federal withholding Tax imposed under FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA, such Recipient shall deliver to the Guarantor and the Collateral Agent at the time or times prescribed by law and at such time or times reasonably requested by the Guarantor or the Collateral Agent such documentation prescribed by applicable law and such additional documentation reasonably requested by the Guarantor or the Collateral Agent as may be necessary for the Guarantor and the Collateral Agent to comply with their obligations under FATCA and to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by the Guarantor or with respect to which the Guarantor has paid additional amounts pursuant to this Section, it shall pay over such refund (or the amount of any credit in lieu of refund) to the Guarantor (but only to the extent of indemnity payments made, or additional amounts paid, by the Guarantor under this Section with respect to the Taxes giving rise to such refund or credit in lieu of refund), net of all Taxes and out- of-pocket expenses of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit in lieu of refund), *provided that* Guarantor, upon the request of such indemnified party, agrees to repay the amount paid over (plus any interest, penalties or other charges imposed by the relevant Governmental Authority) to such indemnified party in the event such indemnified party is required to repay such refund or credit in lieu of refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph, in no event will the indemnified party be required to pay any amount to the Guarantor pursuant to this paragraph if the payment of such amount would place such indemnified party in a less favorable net after-Tax position than it would have been in if the Tax giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. Nothing in this paragraph shall be construed to require any indemnified party to make available to the Guarantor or any other Person its tax returns or any other information relating to its taxes that it deems confidential.

(i) Each party's obligations under this Section 6.01 shall survive the replacement or resignation of the Collateral Agent or the replacement of or any assignment of rights by a Secured Party, the repayment, discharge or satisfaction of all obligations under any Bond Document.

Section 6.02 Amendments. No term or provision of this Agreement may be waived, amended, supplemented or otherwise modified except in a writing signed by the Guarantor and the Collateral Agent in accordance with Article VIII of the Note.

Section 6.03 Indemnification.

(a) The Guarantor hereby agrees to indemnify and hold harmless the Collateral Agent (and any sub-agent thereof), each other Secured Party and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") from any losses, damages, liabilities, claims and related expenses (including the fees and expenses of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Guarantor or any other party to any Bond Document) other than such Indemnitee and its Related Parties arising out of, in connection with or resulting from this Agreement (including, without limitation, enforcement of this Agreement) or any failure of any Obligations to be the legal, valid, and binding obligations of the Company, or any other party to any Bond Document, enforceable against such party in accordance with their terms, whether brought by a third party or by the Guarantor, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (ii) result from a claim brought by the Guarantor or any other party under any Bond Document against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Bond Document, if the Guarantor or such party to any Bond Document has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This clause (a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, or similar items arising from any non-Tax claim.

(b) To the fullest extent permitted by applicable law, the Guarantor hereby agrees not to assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Bond Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby or the use of proceeds thereof. No Indemnitee shall be liable for any damages arising from the use of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Bond Documents or the transactions contemplated hereby or thereby by unintended recipients.

(c) All amounts due under this Section shall be payable /not later than thirty (30) days after demand therefor.

(d) Without prejudice to the survival of any other agreement of the Guarantor under this Agreement or any other Bond Documents, the agreements and obligations of the Guarantor contained in Section 2.01 (with respect to enforcement expenses), Section 2.03, Section 6.01 and this Section shall survive termination of the Bond Documents and payment in full of the Obligations and all other amounts payable under this Agreement.

Section 6.04 Notices.

(a) **Notices Generally.** Except in the case of notices and other communications expressly permitted to be given by telephone (or by e-mail as provided in paragraph (b) below), all notices and other communications provided for herein shall be made in writing and mailed by certified or registered mail, delivered by hand or overnight courier service, or sent by e-mail as follows:

(i) If to the Company:

- Gravitas Education Holdings, Inc.
- 3/F, No. 28 Building, Fangguyuan Section 1, Fangzhuang, Fentai District, Beijing, the PRC,
- Attention: Xin Fang (Email:).

(ii) If to the Guarantor:

- Promethean World Limited, Promethean House, Lower Philips Road, Blackburn, BB1 5TH.
- Attention: Legal Department;
- Email: Legal@prometheanworld.com With copy to:
- Promethean Inc., 4550 North Point Parkway, Suite 370, Alpharetta, GA 30022
- Attention: Allyson Krause, EVP and General Counsel
- Email: Allyson.Krause@prometheanworld.com
- 888-652-2848.

(iii) If to the Collateral Agent:

- Wilmington Savings Fund Society, FSB
- 500 Delaware Avenue, Wilmington, DE 19801
- Attention: Pat Healy, Senior Vice President (Email: PHealy@wsfsbank.com;).

Notices mailed by certified or registered mail or sent by hand or overnight courier service shall be deemed to have been given when received.

(b) **Electronic Communications.** Unless the Collateral Agent specifies otherwise, (i) notices and other communications sent by e-mail shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received

upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause

(i) of notification that such notice or communication is available and identifying the website address therefor; *provided* that, in the case of clauses (i) and (ii) above, if such notice, email or other communication is not sent during the recipient's normal business hours, such notice, email or communication shall be deemed to have been sent at the recipient's opening of business on the next business day.

(c) **Change of Address, Etc.** Any party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto.

Section 6.05 Continuing Guaranty; Transfers of the Note. This Agreement is a continuing guaranty and shall (i) remain in full force and effect until the latest of (x) the payment in full in cash of the Obligations and all other amounts payable under this Agreement and (y) the Maturity Date (as defined in the Note) (the "Termination Date"), (ii) be binding on the Guarantor, its successors and assigns, and (iii) inure to the benefit of and be enforceable by the Secured Parties and their successors and assigns. The Guarantor shall not assign its rights hereunder or any interest herein without the prior written consent of the Collateral Agent.

Section 6.06 Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. This Agreement and the other Bond Documents, and any separate letter agreements with respect to fees payable to the Collateral Agent, constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. This Agreement shall become effective when it shall have been executed by the Collateral Agent and when the Collateral Agent shall have received counterparts hereof that together bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 6.07 Governing Law. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the New York (without regard to principles of conflicts of law).

Section 6.08 Arbitration. The parties to this Agreement shall submit all disputes arising under this Agreement to arbitration in New York, New York before a single arbitrator of the American Arbitration Association (the "AAA"). The arbitrator shall be selected by application of the rules of the AAA, or by mutual agreement of the parties, except that such arbitrator shall be an attorney admitted to practice law in the State of New York. No party hereto will challenge the jurisdiction or venue provisions as provided in this section. Nothing in this section shall limit a

party's right to obtain an injunction for a breach of this Agreement from a court of law. Any injunction obtained shall remain in full force and effect until the arbitrator fully adjudicates the dispute.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

Guarantor:

PROMETHEAN WORLD LIMITED

By__ Name:

Title:

WILMINGTON SAVINGS FUND

SOCIETY, FSB, as collateral agent

By__ Name:

Title:

EXHIBIT A

Authorizing Resolutions of Guarantor

THE SECURITY REPRESENTED BY THIS INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THE TRANSFER OF THIS SECURITY IS ALSO SUBJECT TO THE CONDITIONS SPECIFIED IN THE SENIOR SECURED CONVERTIBLE NOTE PURCHASE AGREEMENT, DATED AS OF APRIL 18, 2023, AS AMENDED AND MODIFIED FROM TIME TO TIME, BETWEEN MYND.AI, INC. (THE "COMPANY") AND THE PURCHASER PARTY THERETO. THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITY UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO SUCH TRANSFER. UPON WRITTEN REQUEST, A COPY OF SUCH CONDITIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF WITHOUT CHARGE.

MYND.AI, INC.

CONVERTIBLE PROMISSORY NOTE

December 13, 2023 US$65,000,000

Mynd.ai, Inc., a Cayman Islands exempted company with limited liability and formerly known as Gravitas Education Holdings, Inc. (the "Company"), hereby promises to pay to the order of Nurture Education Cayman Limited, an exempted company incorporated with limited liability and validly existing under the Laws of the Cayman Islands (the "Purchaser") or its transferees, the principal amount of Sixty-Five Million Dollars (US$65,000,000). This Note is being issued pursuant to a Senior Secured Convertible Note Purchase Agreement, dated as of April 18, 2023 (as may be amended, restated, supplemented or otherwise modified, the "Purchase Agreement"), between the Company and the Purchaser. The Purchase Agreement contains terms governing the rights of the holder of this Note, and all provisions of the Purchase Agreement are hereby incorporated herein in full by reference. Unless otherwise indicated herein, capitalized terms used in this Note have the same meanings set forth in the Purchase Agreement.

ARTICLE I

DEFINED TERMS

The terms defined in this Article I (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Note shall have the respective meanings specified in this Article I. The words "herein," "hereof," "hereunder" and words of similar import refer to this Note as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article I include the plural as well as the singular.

"Additional Amounts" shall have the meaning specified in Section 6.1.

"Additional Notes" shall have the meaning specified in Section 2.2.

"ADSs" shall have the meaning specified in Section 3.2.

"Affiliate" means, with respect to any Person, (a) any Person that directly or indirectly controls such Person and (b) any Person which is controlled by or is under common control with such controlling Person, and (c) each of such Person's officers or directors (or Persons functioning in substantially similar roles).

"Agent" means Wilmington Savings Fund Society, FSB.

"Asset Acquisition" means (a) an investment by the Company or any subsidiary in any other Person pursuant to which such Person shall become a subsidiary of the Company or shall be merged into or consolidated with the Company or any subsidiary of the Company, or (b) an acquisition by the Company or any subsidiary of the Company of the property and assets of any Person other than the Company or any subsidiary of the Company that constitute substantially all of a division or line of business of such Person.

"Asset Sale" means (a) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a sale/leaseback transaction) of the Company or any subsidiary, or (b) the issuance or sale of equity interests of any subsidiary of the Company (other than (x) to a Group Company or (y) in connection with the convertible securities outstanding as of the Closing Date or permitted to be incurred pursuant to the terms of the Notes).

"Attributable Indebtedness" means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person accounted for as a capital lease.

"BOA Loan Agreements" shall mean Loan and Security Agreement dated as of June 25, 2018, by and among Guarantor, Promethean Inc., Promethean Limited and BANK OF AMERICA, N.A. (including all annexes, exhibits and schedules thereto and documents referenced therein) and the related security and ancillary agreements, as from time to time amended, restated, supplemented or otherwise modified.

"Board of Directors" shall have the meaning specified in Section 5.3(a).

"Closing Sale Price" means the price per share of the ADS as of the close of trading on any Trading Day as reported by the Exchange.

"Company" shall have the meaning specified in the preamble.

"Conversion Date" shall have the meaning specified in Section 5.1(c).

"Conversion Rate" shall have the meaning specified in Section 5.2.

"Conversion Securities" shall have the meaning specified in Section 6.5.

"Default Rate" means a rate of interest per annum that is 2.0% above the rate of interest stated in Section 2.1, with respect to cash payments only.

"Deposit Agreement" means the Deposit Agreement dated as of September 26, 2017 among the Company, Citibank, N.A., as depositary, and the owners and holders from time to time of the ADSs issued thereunder, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Depositary" means Citibank, N.A., as depositary under the Deposit Agreement.

"Distributed Assets" shall have the meaning specified in Section 5.3(d).

"Early Repurchase Event" means the date of a redemption pursuant to Section 3.3 or a repurchase of the Notes following a Make Whole Fundamental Change.

"EBITDA" means, in respect of any Relevant Period, the consolidated operating profit of the Company and its subsidiaries before taxation (excluding the results from discontinued operations):

(a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalized by the Company and its subsidiaries (calculated on a consolidated basis) in respect of the Relevant Period;

(b) not including any accrued interest owing to the Company or any of its subsidiaries;

(c) after adding back any amount attributable to the amortization, depreciation or impairment of assets of the Company or any of its subsidiaries; and

(d) before taking into account any exceptional, one-off, non-recurring or extraordinary items;

in each case, to the extent added, deducted, or taken into account, as the case may be, for the purposes of determining operating profits of the Company and its subsidiaries (calculated on a consolidated basis), before taxation.

"Event of Default" shall have the meaning specified in Section 4.1.

"Exchange" means a Qualified Stock Exchange.

"Existing Working Capital Facilities" shall mean working capital facilities of the Company and its subsidiaries that are existing as of the Closing Date and any replacements or refinancings thereof, including but not limited to, the loans incurred pursuant to BOA Loan Agreements. All Existing Working Capital Facilities are listed on Schedule 1 hereto.

"Expiration Date" shall have the meaning specified in Section 5.3(f).

"Expiration Time" shall have the meaning specified in Section 5.3(f).

"Financial Half-Year" means the period commencing on the day after one Half-Year Date and ending on the next Half-Year Date.

"Financial Year" means the annual accounting period for the Company.

"Form of Notice of Conversion" means the "Form of Notice of Conversion" attached hereto as Exhibit 1.

"Fundamental Change" means the occurrence of any of the following:

(a) except as described in clause (b) below, (A) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act, other than the Company, its Subsidiaries, the employee benefit plans of the Company and its Subsidiaries and any Permitted Holder, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person

or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Company's ordinary share capital (including ordinary share capital held in the form of ADSs) representing more than 50% of the voting power of the Company's ordinary share capital or (B) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of more than 50% of the Company's then outstanding Ordinary Shares (including Ordinary Shares held in the form of ADSs);

(b) the consummation of (A) any recapitalization, reclassification or change of the Ordinary Shares or the ADSs (other than changes resulting from a subdivision or combination) as a result of which the Ordinary Shares or the ADSs would be converted into, or exchanged for, stock, other securities, other property or assets; (B) any share exchange, consolidation or merger of the Company or any similar transaction pursuant to which the Ordinary Shares or the ADSs will be converted into cash, securities or other property; or (C) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries and consolidated affiliated entities, taken as a whole, to any Person other than one of the Company's Subsidiaries or consolidated affiliated entities; *provided*, *however*, that a transaction described in clause (B) in which the holders of all classes of the Company's ordinary share capital immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of ordinary shares of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions vis-à-vis each other as such ownership immediately prior to such transaction shall not be a Fundamental Change pursuant to this clause (b);

(c) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company;

(d) trading of the ADSs (or Ordinary Shares or other common equity then underlying the Note) has been generally suspended for more than 10 business days (excluding any market conditions of general applicability that might cause trading to be suspended) for any reason (other than as a result of any suspension affecting markets generally), or the ADSs cease to be listed or quoted on a Qualified Stock Exchange; or

(e) any change in or amendment to the laws, regulations and rules or the official interpretation or official application thereof (a "Change in Law") that results in (x) the Company, its subsidiaries and its consolidated affiliated entities (collectively, the "Company Group") (as in existence immediately subsequent to such Change in Law), as a whole, being legally prohibited from operating substantially all of the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) as of the last date of the period described in the Company's consolidated financial statements for the most recent fiscal quarter and (y) the Company being unable to continue to derive substantially all of the economic benefits from the business operations conducted by the Company Group (as in existence immediately prior to such Change in Law) in the same manner as reflected in the Company's consolidated financial statements for the most recent fiscal quarter.

"Group Companies" mean the Company and its subsidiaries.

"Guarantor" means Promethean World Limited.

"Guaranty" means the guaranty made by Guarantor in favour of the Agent dated December 13, 2023, as may be amended, restated, supplemented or otherwise modified from time to time.

"Half-Year Date" means June 30 and December 31 of each year.

"Indebtedness" means for any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in the accounting treatment of such Person:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments to the extent such instruments or agreements support financial, rather than performance, obligations; for the avoidance of doubt, performance bonds issued for the account of such Person in the ordinary course of business shall be excluded from "Indebtedness;"

(c) net obligations of such Person under any Swap Contract (excluding obligations under Swap Contracts relating solely to the Notes);

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 120 days (unless being disputed in good faith by appropriate legal proceedings and for which reserves have been established) after the date on which such trade account payable was due and payable, the "Trade Payables");

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) capital leases and Synthetic Lease Obligations; and

(h) (without double counting) all guaranties of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date. For the avoidance of doubt, the Indebtedness of any Person shall not include any Trade Payables.

"Initial Conversion Price" means 115% of the "GEHI Per Share Value" as defined under the Merger Agreement, which is $2.0226 (the product of 115% and $1.7588).

"Interest Payment Date" shall have the meaning specified in Section 2.1.

"Legal Reservations" shall mean:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganization and other laws generally affecting the rights of creditors;

(b) the time barring of claims under any applicable law of any relevant jurisdiction, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defenses of set-off or counterclaim; and

(c) similar principles, rights and defenses under the laws of any relevant jurisdiction.

"Majority Noteholders" means a holder or holders of Notes representing more than 50% of the total principal amount of all of the Notes outstanding at the relevant time.

"Make Whole Fundamental Change" means the occurrence of any Fundamental Change contemplated by clauses (a), (b), (d) or (e) of the definition thereof.

"Make Whole Premium" means the aggregate amount of cash interest and PIK interest that would be payable from the date of either (a) the Early Repurchase Event or (b) an acceleration of the Note pursuant to Section 4.2 due to an Event of Default contemplated under Section 4.1(a), Section 4.1(c), Section 4.1(e) or Section 4.1(f), as applicable, until the Maturity Date assuming that such Early Repurchase Event or acceleration had not occurred and cash interest and PIK interest continued to accrue and be paid up to the Maturity Date.

"Merger Event" shall have the meaning specified in Section 5.4.

"Notes" shall have the meaning specified in Section 2.2.

"Ordinary Shares" shall have the meaning specified in Section 3.2.

"Perfection Requirements" shall mean any and all registrations, filings, notarisations, notices, payment of stamp, registration, notarial or other similar taxes or fees and other actions and steps required to be made in any applicable jurisdiction in order to perfect security interests created by the Share Charge Agreement or in order to achieve the relevant priority for such security interests.

"Permitted Debt" means (a) the Existing Working Capital Facilities; (b) Indebtedness incurred for financing of acquisitions by the Company and its subsidiaries and (c) any other Indebtedness incurred for other purposes; provided that Indebtedness under item (b) or item (c) is permitted only if after incurrence of such Indebtedness, the ratio of the total Indebtedness of the Company (which shall include the outstanding amount under the Note and all Permitted Debt, but exclude any outstanding amount under Existing Working Capital Facilities (as may be amended from time to time in accordance with the terms of the Note)) to the Company's EBITDA for the most recent 12 months before the date of such incurrence does not exceed 3:1.

"Permitted Holder" means NetDragon Websoft Holdings Limited, and any other respective "Person" or "group" subject to aggregation of share capital with NetDragon Websoft Holdings Limited under Section 13(d) of the Exchange Act.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization.

"Purchase Agreement" shall have the meaning specified in the preamble.

"Purchaser" shall have the meaning specified in the preamble.

"Qualified Stock Exchange" means any of the New York Stock Exchange, NYSE American or any tier of the Nasdaq Stock Market.

"Reference Price" shall have the meaning specified in Section 5.5.

"Reference Property" shall have the meaning specified in Section 5.4.

"Relevant Period" means each period of twelve months, or such shorter period commencing on the Closing Date, ending on or about the last day of the Financial Year and each period of twelve months thereafter ending on or about the last day of each Financial Half-Year.

"Relevant Securities" shall have the meaning specified in Section 5.3(g).

"Relevant Taxing Jurisdiction" shall have the meaning specified in Section 6.1.

"Required Holders" means the holders of two thirds of the aggregate principal amount of the Notes then outstanding.

"Reset Date" shall have the meaning specified in Section 5.5.

"Rule 144" means Rule 144 promulgated under the Securities Act and any successor provision.

"Securities Act" shall have the meaning specified in the legend above.

"Share Charge Agreement" means the share charge agreement between Elmtree Inc. and the Agent in respect of a charge over shares in the Guarantor dated December 13, 2023, as may be amended, restated, supplemented or otherwise modified from time to time.

"Spin-Off" shall have the meaning specified in Section 5.3(d).

"Spin-Off Valuation Period" shall have the meaning specified in Section 5.3(d).

"Successor Company" shall have the meaning specified in Section 13.1.

"Swap Contract" means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such

Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Trading Day" means a day on which the principal U.S. securities exchange on which the ADSs (or Ordinary Shares) listed or admitted to trading is open for the transaction of business (unless such trading shall have been suspended for the entire day).

"Trigger Event" shall have the meaning specified in Section 5.3(d).

"Underlying Shares" shall have the meaning specified in Section 5.1(d)(i).

"US$" or "$" refers to United States dollars, the lawful currency of the United States.

"Volume Weighted Average Closing Price" means, with respect to any consecutive 40-Trading Day period, the sum of the Weighted Closing Prices for each trading day during such period, where:

"Weighted Closing Price" for a trading day occurring during a consecutive 40-Trading Day period shall equal (i) the Closing Sale Price for such trading day, multiplied by (ii) the Weighting for such trading day.

"Weighting" for a trading day occurring during a consecutive 40-Trading Day period shall equal (i) the Daily Trading Volume for such trading day divided by (ii) the Aggregate Trading Volume for such period.

"Daily Trading Volume" for a trading day shall equal the aggregate volume, as reported by the Exchange, of ADS traded during such day (including at the close) on the Exchange.

"Aggregate Trading Volume" for a consecutive 40-Trading Day period shall equal the sum of the Daily Trading Volumes for each trading day during such period.

ARTICLE II

PAYMENT OF INTEREST

Section 1.1 Cash Interest Payments. Cash interest shall accrue on the principal amount of the Note (in each case computed on the basis of a 365/366-day year and the actual number of days elapsed in any year) at a rate equal to 5.00% per annum. The Company shall pay to the holder of this Note all accrued interest in cash semiannually on each June 15 and December 15 of each year (each, an "Interest Payment Date"), commencing on June 15, 2023 and including December 13, 2028, which is the final maturity date of this Note (the "Maturity Date"); provided, however, that the Company shall pay, or cause to be paid, amounts due pursuant to this Section 2.1 with respect to the first two Interest Payment Dates on the Closing Date (or promptly after Closing Date to the extent mutually agreed between the Company and Purchaser). Interest shall accrue on any principal payment due under this Note until such time as payment therefor is actually delivered to the holder of this Note; provided that if any portion of the principal amount is duly converted into Conversion Securities pursuant to and in accordance with the Note, cash interest shall cease to accrue on the portion of the principal amount being converted.

Section 1.2 PIK Interest Payments. PIK interest shall accrue on the principal amount of the Note (in each case compound on the basis of a 365/366-day year and the actual number of

days elapsed in any year) at a rate equal to 5.00% per annum. PIK interest will be payable by issuing additional notes (the "Additional Notes" and, together with the Note issued on the Closing Date, the "Notes") in an amount equal to the applicable amount of PIK interest for the interest period (rounded down to the nearest whole dollar). Not later than 10 business days prior to the relevant Interest Payment Date, the Company shall deliver to the Paying Agent the required amount of Additional Notes (rounded down to the nearest whole dollar) and a company order to authenticate and deliver such Additional Notes to each registered holder. All Additional Notes issued pursuant to an interest payment as described above will mature on the same date as the Note issued on the Closing Date. The Additional Notes shall have the same rights and benefits as the Note issued on the Closing Date, shall accrue interest on the same terms as the Note and shall be treated together with the Note as a single class for all purposes. PIK interest on the Notes for the final scheduled interest period shall be payable in cash on the Maturity Date or otherwise upon early repayment of the Notes. If any portion of the principal amount is duly converted into Conversion Securities pursuant to and in accordance with the Note, PIK interest shall cease to accrue on the portion of the principal amount being converted. For the avoidance of doubt, all references herein to the "Note" shall mean the Note in an outstanding principal amount inclusive of all PIK interest paid thereon in the form of Additional Notes issued pursuant to this Section 2.2.

Section 1.3 Payment of Interest Upon Conversion. Accrued and unpaid cash interest and PIK interest that would have been payable on the next Interest Payment Date will not be payable with respect to any portion of the Note submitted for conversion prior to such Interest Payment Date except for (i) a Note submitted for conversion after June 15, 2028 (the last Interest Payment Date prior to maturity of the Note); (ii) if a Fundamental Change has occurred and the Note is submitted for conversion prior to the last day that the Note may be submitted for repurchase pursuant to Section 6.3; or (iii) to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to the Note.

ARTICLE III

PAYMENT OF PRINCIPAL ON NOTE

Section 1.1 Scheduled Payment. Unless converted as set forth below, the principal amount (including any accrued and unpaid interest) of this Note shall be due and payable on December 13, 2028.

Section 1.2 Conversion. Notwithstanding any provision contained in this Article III, the holder of this Note may convert, indirectly through the procedure set forth Section 5.1(c), all or any portion of the outstanding principal amount (including any accrued and unpaid interest) of this Note into ordinary shares of the Company, par value US$0.001 per share ("Ordinary Shares"), in accordance with Article V, until such time as the outstanding principal amount (including any accrued and unpaid interest) has been paid in full. Subject to terms of Section 5, at the option of the holder of the Note, the Ordinary Shares deliverable upon conversion may be delivered in the form of the Company's American Depository Shares ("ADSs"), each representing ten Ordinary Share.

Section 1.3 Optional Redemption. At any time and from time to time following the third anniversary of the Closing Date, the Company may, at its option, redeem all or any portion of the Notes then outstanding at a redemption price equal to (i) 100% outstanding principal amount (ii) plus accrued and unpaid interest (calculated to the redemption date) plus (iii) the Make Whole Premium. The Company will provide notice of such redemption to the Agent at least 30 Trading Days and no more than 60 Trading Days before the date of such redemption.

ARTICLE IV

EVENTS OF DEFAULT; REMEDIES ON DEFAULT

Section 1.1 Event of Default. An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of principal or interest on the Note when the same becomes due and payable, whether at maturity, an Interest Payment Date or at a date fixed for prepayment or by declaration or otherwise and such failure to pay is not cured within three (3) business days after the occurrence thereof; or

(b) the Company defaults in the performance of, or compliance with, any material term contained in any Bond Document and the default is not remedied (if capable of being remedied) within forty five (45) days after the Company receives written notice of the default from the holder of the Note; or

(c) the Company (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property or (v) is adjudicated as insolvent or to be liquidated; or

(d) the Company or any subsidiary of the Company fails to pay principal when due (whether at stated maturity or otherwise) or an uncured default exists that results in the acceleration of maturity of any indebtedness for borrowed money of the Company or any subsidiary of the Company in an aggregate amount in excess of US$10,000,000 (or its foreign currency equivalent), unless such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within the longer of (i) ninety (90) days and (ii) any applicable cure period set forth in the relevant agreement or instrument; or

(e) one or more final non-appealable judgments for the payment of money in any aggregate amount in excess of US$10,000,000 shall be rendered against the Company or any subsidiary of the Company and the same shall remain undischarged for a period of sixty (60) days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Company or any subsidiary of the Company to enforce any such judgment;

(f) a court or governmental authority of competent jurisdiction enters an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, or any such petition shall be filed against the Company and such petition shall not be dismissed within sixty (60) days; or

(g) (i) the Guaranty or the Share Charge Agreement ceases to be in full force and effect, subject to Legal Reservations and Perfection Requirements (for so long as the Perfection Requirements are not overdue in accordance with the terms of the Guaranty or the Share Charge Agreement); (ii) the Company, the Guarantor, the Chargor or any other Person contests in writing the validity or enforceability of the Guaranty or the Share Charge Agreement to which it is a party; or (iii) the Company, the Guarantor, or the Chargor or any other Person denies in writing that it has any or further liability or obligation under the Guaranty or the Share

Charge Agreement to which it is a party, or purports in writing to revoke, terminate or rescind the Guaranty or the Share Charge Agreement.

Section 1.2 Acceleration.

(a) If an Event of Default with respect to the Company described in Section 4.1 has occurred, the Note shall automatically become immediately due and payable, and the Note will forthwith mature and the entire unpaid principal amount together with all accrued and unpaid interest, and the applicable Make Whole Premium shall all be immediately due and payable.

(b) Upon the Note becoming due and payable under this Section 4.2, whether automatically or by declaration, the Note will forthwith mature and the entire unpaid principal amount (including any accrued and unpaid interest, which shall accrue at the Default Rate from the date on which the Note became due and payable under this Section 4.2, and in the case of an Event of Default contemplated under Section 4.1(a), Section 4.1(c), Section 4.1(e) or Section 4.1(f), together with the applicable Make Whole Premium) shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived.

Section 1.3 Other Remedies. If any Event of Default has occurred and is continuing, and irrespective of whether the Note has become or has been declared immediately due and payable under Section 4.2, the holder of the Note may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, for an injunction against a violation of any of the terms hereof or thereof or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 1.4 No Waivers or Election of Remedies; Expenses. No course of dealing and no delay on the part of the holder of the Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. The Company shall pay the principal amount (including any accrued and unpaid interest) of the Note without any deduction for any setoff or counterclaim. No right, power or remedy conferred by any Bond Document upon the holder of this Note shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. The Company will pay to the holder of the Note on demand such further amount as shall be sufficient to cover all reasonable costs and expenses of such holder incurred in any enforcement or collection under this Article IV, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

ARTICLE V

CONVERSION

Section 1.1 Conversion Procedure.

(a) At any time prior to the payment of this Note in full, the holder of this Note may convert all or any portion of the outstanding principal amount this Note into a number of Ordinary Shares equal to the product obtained by dividing (i) the portion of the principal amount designated by such holder to be converted, by (ii) the Conversion Rate then in effect. After the date on which (x) the Ordinary Shares deliverable upon conversion have been registered in accordance with terms of the Bond Documents or (y) the holder of this Note is permitted to sell the Ordinary Shares deliverable upon conversion under Rule 144 (or any other exemption from registration) under the Securities Act without limitation on the amount of

securities sold or the manner of sale, if the Company has ADSs traded on the Exchange, the Ordinary Shares deliverable upon conversion shall, at the request of the holder of this Note, be delivered in the form of ADSs. For the avoidance of doubt, the Company shall not have any obligation to deliver the Ordinary Shares upon conversion in the form of ADSs if at that time the Company's ADSs are not then listed for trading on a Qualified Stock Exchange.

(b) Before any holder of this Note shall be entitled to covert this Note as set forth above, such holder shall complete, manually sign, and deliver an irrevocable notice to the Agent as set forth in the Form of Notice of Conversion (or a facsimile, PDF or other electronic transmission thereof) at the office of the Agent and state in writing therein the principal amount of Notes to be converted and the name or names (with addresses) in which such holder wishes the certificate or certificates for any Ordinary Shares or ADSs to be delivered upon settlement.

(c) Except as otherwise expressly provided herein, each conversion of this Note shall be deemed to have been effected as of the close of business on the date on which this Note or any portion thereof has been surrendered for conversion at the principal office of the Company (the "Conversion Date"). At such time as such conversion has been effected, the rights of the holder of this Note as such holder to the extent of the conversion shall cease, and the Person or Persons in whose name or names the Ordinary Shares (or ADSs, if applicable) are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the securities represented thereby.

(d) As soon as possible after a conversion has been effected (but in any event within five (5) business days in the case of clause (i) below), the holder of this Note shall subscribe for the number of Ordinary Shares issuable upon conversion (in whole or in part) of this Note, and the Company shall do the following:

(i) register the issuance to the converting holder of the number of Ordinary Shares issuable upon conversion (in whole or in part) of this Note (the "Underlying Shares") in the Company's share transfer registry;

(ii) issue the Underlying Shares and, if so requested by the holder of the Note, deposit such Underlying Shares with the Depositary, in the name and on behalf of the holder of the Note;

(iii) if so requested by the holder of the Note, cause the Depositary to issue and deliver to the converting holder certificates or a book-entry transfer for the number of ADSs to which the holder shall be entitled against deposit of the Underlying Shares, pursuant to the Deposit Agreement; and

(iv) deliver to the converting holder a new Note representing any portion of the principal amount that was represented by the Note surrendered to the Company in connection with such conversion, but which was not converted or which could not be converted because it would have required the issuance of a fractional Ordinary Share.

The converting holder shall cooperate with the Company and, if applicable, the Depositary or the share registrar for the Ordinary Shares to facilitate the process outlined above, including through the execution of a subscription form for the Ordinary Shares satisfactory to the converting holder and, if applicable, the execution of a power of attorney authorizing the Company to deliver the Underlying Shares to the converting holder or the Depositary on such holder's behalf and the converting holder providing such representations, certificates or other documentation as may be reasonably required in connection with such delivery.

(e) The issuance of the Underlying Shares and, if applicable, ADSs upon conversion of this Note shall be made without charge to the holder hereof for any issuance tax in respect thereof or other cost incurred by the Company in connection with such conversion and the related issuance of Underlying Shares or ADSs, unless the tax is due because the holder requests such Underlying Shares or ADSs to be issued in a name other than the holder's name, in which case the holder shall pay the tax. Upon conversion of this Note, the Company shall take all such actions as are necessary in order to ensure that the Ordinary Shares and ADSs issuable with respect to such conversion shall be validly issued, fully paid and nonassessable.

(f) To the extent commercially practicable and consistent with the Company's requirements in respect of establishing entitlement to any distribution or other rights attaching to the ADSs or the Ordinary Shares or as otherwise required by applicable law or regulation, the Company shall not close its books against the transfer of Ordinary Shares or ADSs issued or issuable upon conversion of this Note in any manner which interferes with the timely conversion of this Note. Notwithstanding the foregoing, if a Conversion Date would otherwise fall during a period in which the register of ADSs or the Ordinary Shares is closed, such Conversion Date will be postponed to the first Trading Day following the expiry such closure.

Section 1.2 Conversion Rate. The initial Conversion Rate per $1,000 principal amount of the Note shall be equal to the product of (i) $1,000 divided by (ii) Initial Conversion Price (subject to adjustment as provided in this Article V, the "Conversion Rate"). To address dilution of the conversion rights granted under the Note, the Conversion Rate shall be subject to adjustment from time to time pursuant to Section 5.3. The Conversion Rate will also be subject to adjustment pursuant to Section 5.5 and upon the occurrence of certain Make Whole Fundamental Changes pursuant to Section 6.2.

Section 1.3 Adjustments to Conversion Rate. If the number of Ordinary Shares represented by each ADS is changed, after the date of this Note, for any reason other than one or more of the events described in this Section 5.3, the Company shall make an appropriate adjustment to the Conversion Rate such that the number of Ordinary Shares represented by the ADSs upon which conversion of the Note is based remains the same. In addition, the Conversion Rate shall be adjusted from time to time by the Company as follows:

(a) In case the Company shall, at any time or from time to time while the Note is outstanding, pay a dividend in Ordinary Shares (directly or in the form of ADSs) or make a distribution in Ordinary Shares to all or substantially all holders of Ordinary Shares, then the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such dividend or distribution;

OS_0 = the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution; and

OS_1 = the number of Ordinary Shares that would be outstanding immediately after, and solely as a result of, such dividend or distribution.

Any adjustment made pursuant to this Section 5.3(a) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such dividend or distribution. If any dividend or distribution that is the subject of this Section 5.3(a) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors of the Company (the "Board of Directors") publicly announces its decision not to pay or make such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. For purposes of this Section 5.3(a), the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution shall not include Ordinary Shares held in treasury, if any. The Company will not pay any dividend or make any distribution on Ordinary Shares held in treasury, if any.

(b) In case outstanding Ordinary Shares (directly or in the form of ADSs) shall be subdivided or split into a greater number of Ordinary Shares or combined or reverse split into a smaller number of Ordinary Shares (in each case, other than in connection with a transaction to which Section 5.4 applies), the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the effective date of such subdivision or combination;

CR_1 = the Conversion Rate in effect on the effective date of such subdivision or combination;

OS_0 = the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the effective date of such subdivision or combination; and

OS_1 = the number of Ordinary Shares that would be outstanding immediately after, and solely as a result of, such subdivision or combination.

Any adjustment made pursuant to this Section 5.3(b) shall become effective immediately prior to 9:00 a.m., New York City time, on the effective date of such subdivision or combination.

(c) In case the Company shall issue rights (other than rights issued pursuant to a shareholders' rights plan or a dividend or distribution on Ordinary Shares in Ordinary Shares as set forth in (a) above) or warrants to all or substantially all holders of its Ordinary Shares (whether direct or in the form of ADSs), other than an issuance in connection with a transaction to which Section 5.4 applies, entitling them to purchase, for a period expiring within forty-five (45) calendar days of the date of issuance, Ordinary Shares (directly or in the form of ADSs) at a price per Ordinary Share less than the average of the Closing Sale Prices of the ADSs divided by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for the distribution, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such issuance;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such issuance;

OS_0 = the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such issuance;

X = the total number of Ordinary Shares issuable (directly or in the form of ADSs) pursuant to such rights or warrants; and

Y = the number of Ordinary Shares equal to the quotient of (x) aggregate price payable to exercise such rights or warrants, divided by (y) the average of the Closing Sale Prices of the ADSs during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such issuance.

Any adjustment made pursuant to this Section 5.3(c) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such issuance. If any rights or warrants described in this Section 5.3(c) are not so issued, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to issue such rights or warrants, to the Conversion Rate that would then be in effect if such issuance had not been declared. To the extent that such rights or warrants are not exercised prior to their expiration or Ordinary Shares are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of Ordinary Shares actually delivered. In determining the aggregate price payable to exercise such rights and warrants, there shall be taken into account any consideration received by the Company for such rights or warrants and the value of such consideration (if other than cash, to be determined in good faith by the Board of Directors). For purposes of this Section 5.3(c), the number of Ordinary Shares outstanding at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such issuance shall not include Ordinary Shares held in treasury, if any. The Company will not issue any such rights or warrants in respect of Ordinary Shares held in treasury, if any.

(d) In case the Company shall, by dividend or otherwise, distribute to all or substantially all holders of its outstanding Ordinary Shares (whether direct or in the form of ADSs) of any class of capital stock of the Company or evidences of its indebtedness or assets (including securities, but excluding (i) any dividends or distributions referred to in Section 5.3(a), (ii) any rights or warrants referred to in Section 5.3(c), (iii) any dividends or distributions referred to in Section 5.3(e), (iv) any dividends or distributions in connection with a transaction to which Section 5.4 applies, or (v) any Spin-Offs to which the provisions set forth below in this Section 5.3(d) applies) (any of the foregoing hereinafter in this Section 5.3(d) called the "Distributed Assets"), then, in each such case, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such distribution;

SP_0 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and

FMV = the fair market value on the ex-dividend date for such distribution of the Distributed Assets so distributed applicable to one (1) Ordinary Share, as determined in good faith by the Board of Directors.

In the event where there has been a payment of a dividend or other distribution on the Ordinary Shares (directly or in the form of ADSs) or shares of capital stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit of the Company (a "Spin-Off") that are, or when issued, will be, traded or listed on a Qualified Stock Exchange, then the Conversion Rate shall instead be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such distribution;

FMV_0 = the average of the Closing Sale Prices of the Distributed Assets applicable to one (1) Ordinary Share during the ten consecutive trading day period commencing on and including the effective date of the Spin-Off (the "Spin-Off Valuation Period"); and

MP_0 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the Spin-Off Valuation Period.

Any adjustment made pursuant to this Section 5.3(d) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such distribution. If any dividend or distribution of the type described in this Section 5.3(d) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of

Directors publicly announces its decision not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

Rights or warrants distributed by the Company to all holders of Ordinary Shares (whether direct or in the form of ADSs) entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such Ordinary Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Ordinary Shares, shall be deemed not to have been distributed for purposes of this Section 5.3 (and no adjustment to the Conversion Rate under this Section 5.3 will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 5.3(d). If any such right or warrant, including any such existing rights or warrants distributed prior to the date of this Note, are subject to events, upon the occurrence of which such rights or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and record date with respect to new rights or warrants with such rights. In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this Section 5.3 was made, (A) in the case of any such rights or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Ordinary Shares with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Ordinary Shares as of the date of such redemption or repurchase and (B) in the case of such rights or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights and warrants had not been issued.

No adjustment of the Conversion Rate shall be made pursuant to this Section 5.3(d) in respect of rights or warrants distributed or deemed distributed on any Trigger Event to the extent that such rights or warrants are actually distributed to a holder upon conversion of this Note.

(e) In case the Company shall pay a dividend or otherwise distribute to all or substantially all holders of its Ordinary Shares (direct or in the form of ADSs) a dividend or other distribution of exclusively cash excluding (i) any dividend or distribution in connection with the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary and (ii) any dividend or distribution in connection with a transaction to which Section 5.4 applies, then the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{SP_0}{SP_0 - DIV}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the trading day immediately preceding the ex-dividend date for such dividend or distribution;

CR_1 = the Conversion Rate in effect on the ex-dividend date for such dividend or distribution;

SP_0 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and

DIV = the amount in cash per Ordinary Share the Company distributes to holders of its Ordinary Shares.

Any adjustment made pursuant to this Section 5.3(e) shall become effective immediately prior to 9:00 a.m., New York City time, on the ex-dividend date for such dividend or distribution. If any dividend or distribution of the type described in this Section 5.3(e) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(f) In case of purchases of the Ordinary Shares (directly or in the form of ADSs) pursuant to a tender offer or exchange offer made by the Company or any Subsidiary of the Company for all or any portion of the Ordinary Shares (directly or indirectly in the form of ADSs), to the extent that the fair market value, as determined in good faith by the Board of Directors, of cash and any other consideration included in the payment per Ordinary Share (or equivalent payment per Ordinary Share represented by the ADSs) exceeds the Closing Sale Price of the ADSs divided by the number of ADSs then represented by each ADS on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender offer or exchange offer (as it may be amended) (the "Expiration Date"), the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{FMV + (SP_1 \times OS_1)}{SP_1 \times OS_0}$$

where

CR_0 = the Conversion Rate in effect at 5:00 p.m., New York City time, on the Expiration Date;

CR_1 = the Conversion Rate in effect immediately after 5:00 p.m., New York City time, on the Expiration Date;

FMV = the fair market value, on the Expiration Date, of the aggregate value of all cash and any other consideration paid or payable for Ordinary Shares (directly or indirectly in the form of ADSs) validly tendered or exchanged and not withdrawn as of the Expiration Date, as determined in good faith by the Board of Directors;

OS_1 = the number of Ordinary Shares outstanding immediately after the last time tenders or exchanges may be made pursuant to such tender offer or exchange offer (the "Expiration Time"), after giving effect to the purchase of all Ordinary Shares or ADSs, as the case may be, accepted for purchase or exchange in such tender or exchange offer;

OS_0 = the number of Ordinary Shares outstanding immediately before the Expiration Time; and

SP_1 = the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period commencing on the trading day immediately after the Expiration Date.

Any adjustment made pursuant to this Section 5.3(f) shall become effective immediately prior to 9:00 a.m., New York City time, on the trading day immediately following the Expiration Date. If the Company, or one of its Subsidiaries, is obligated to purchase Ordinary Shares (directly or indirectly in the form of ADSs) pursuant to any such tender or exchange offer, but the Company or such Subsidiary is permanently prevented by applicable law from effecting all such purchases or all such purchases are rescinded, the Conversion Rate shall be readjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of this Section 5.3(f) to any tender offer or exchange offer would result in a decrease in the Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Section 5.3(f).

(g) If and whenever the Company shall issue any Ordinary Shares or ADSs (other than any issuance pursuant to this Note or on the exercise of any other rights, existing as of the date of issuance of the Note, of conversion into, or exchange or subscription for, Ordinary Shares or ADSs) or issue or grant options, warrants or other rights to purchase, subscribe, convert into, exercise or exchange for Ordinary Shares or ADSs (the "Relevant Securities", which for the purposes of this definition excludes any Ordinary Shares, ADSs, option, warrant or other rights to purchase, subscribe, convert into, exercise or exchange for Ordinary Shares or ADSs issued or granted in accordance with any share incentive plan of the Company), in each case at a consideration per ADS (on an as-converted and as-exercised basis and, in the case of any issuance of Ordinary Shares, such issue price per Ordinary Share multiplied by the applicable number of Ordinary Shares then represented by each ADS) which is less than the Reference Price per ADS, the Conversion Rate shall be adjusted based on the following formula:

$$CR_1 = CR_0 \times \frac{A + B}{C}$$

where:

CR0 = the Conversion Rate in effect immediately prior to the date of issue of the Relevant Securities;

CR1 = the Conversion Rate in effect as from the date of issue of the Relevant Securities;

A = the number of Ordinary Shares in issue immediately before the issue of the Relevant Securities;

B = the number of Ordinary Shares which the aggregate consideration receivable for the issue of the Relevant Securities would purchase at the price equal to (x) Reference Price, multiplied by (y) the applicable number of Ordinary Shares then represented by each ADS; and

C = the number of Ordinary Shares in issue immediately after the issue of the Relevant Securities, provided that references to the number of Ordinary Shares in the above formula shall include all the Ordinary Shares to be issued assuming that all options, warrants or other rights to purchase, subscribe, convert into, exercise or exchange for Ordinary Shares or ADSs are

exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

(h) In cases where:

(i) the fair market value, as determined in good faith by the Board of Directors, of Distributed Assets and cash, including with respect to a Spin-Off to which Sections 5.3(d) and 5.3(e) apply, applicable to one (1) Ordinary Share, distributed to holders of the Ordinary Shares (whether direct or in the form of ADSs) equals or exceeds the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution, or

(ii) the average of the Closing Sale Prices of the ADSs multiplied by the number of Ordinary Shares then represented by each ADS during the ten (10) consecutive trading day period ending on the trading day immediately preceding the ex-dividend date for such distribution exceeds the fair market value, as determined in good faith by the Board of Directors, of such Distributed Assets or cash so distributed by less than $1.00, rather than being entitled to an adjustment in the Conversion Rate, the holder will be entitled to receive upon conversion, in addition to the ADS, the kind and amount of assets, debt securities or rights, warrants or options comprising the distribution, if any, that the holder would have received if the holder had converted this Note immediately prior to the record date for determining the shareholders entitled to receive the distribution.

(i) In addition to those adjustments required by clauses (a)-(h) of this Section 5.3, and to the extent permitted by applicable law and subject to the applicable rules of a Qualified Stock Exchange and any other securities exchange on which any of the Company's securities are then listed, the Company from time to time may increase the Conversion Rate by any amount for a period of at least twenty (20) business days if the Board of Directors determines that such increase would be in the Company's best interest, and the Company may (but is not required to) increase the Conversion Rate to avoid or diminish any income tax to holders of the Ordinary Shares or the ADSs or rights to purchase Ordinary Shares or ADSs in connection with a dividend or distribution of Ordinary Shares or ADSs (or rights to acquire Ordinary Shares or ADSs) or similar event.

(j) All calculations under this Article V shall be made in good faith by the Company in accordance with this Article V, and shall be made to the nearest cent or to the nearest one-ten thousandth (1/10,000) of an Ordinary Share, as the case may be. No adjustment need be made for rights to purchase Ordinary Shares (directly or indirectly in the form of ADSs) pursuant to a Company plan for reinvestment of dividends or for any issuance of Ordinary Shares (directly or indirectly in the form of ADSs) or convertible or exchangeable securities or, except as provided in this Section 5.3, rights to purchase Ordinary Shares (directly or indirectly in the form of ADSs) or convertible or exchangeable securities. The Company shall certify to the holder that all calculations are made in compliance with this Article V, and shall show the holder in detail the facts upon which such calculations and adjustments were made.

(k) For purposes of this Section 5.3, the number of Ordinary Shares at any time outstanding shall not include Ordinary Shares held in the treasury of the Company but shall include Ordinary Shares issuable in respect of scrip certificates issued in lieu of fractions of Ordinary Shares. The Company will not pay any dividend or make any distribution on Ordinary Shares held in the treasury of the Company.

(l) Notwithstanding any of the foregoing clauses in this Section 5.3, the applicable Conversion Rate will not be adjusted pursuant to this Section 5.3 (i) if the holder

participates in the transaction that would otherwise give rise to adjustment pursuant to this Section 5.3 on an as-converted basis or (ii) solely by reason of the issuance or conversion of any other Notes pursuant to the Bond Documents.

Section 1.4 Effect of Recapitalizations, Reclassifications and Changes of the Ordinary Shares.

(a) In the case of:

(i) any recapitalization, reclassification or change of the ADSs or Ordinary Shares (other than changes resulting from a subdivision or combination),

(ii) any consolidation, merger, combination or similar transaction involving the Company,

(iii) any sale, lease or other transfer to a third party of the consolidated assets of the Company and the Company's Subsidiaries substantially as an entirety or

(iv) any statutory share exchange,

in each case, as a result of which the ADS or the Ordinary Shares would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof) (any such event, a "Merger Event"), then, prior to or at the effective time of such Merger Event, the Company or the successor or purchasing Person, as the case may be, shall execute an amendment to the Note providing that, at and after the effective time of such Merger Event, the right to convert each $1,000 principal amount of the Note shall be changed into a right to convert such principal amount of Note into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of ADSs equal to the Conversion Rate immediately prior to such Merger Event would have owned or been entitled to receive (the "Reference Property," with each "unit of Reference Property" meaning the kind and amount of Reference Property that a holder of one ADS is entitled to receive) upon such Merger Event; *provided*, *however*, that any ADSs that the Company would have been required to deliver upon conversion of the Note shall instead be deliverable in the amount and type of Reference Property that a holder of that number of ADSs would have been entitled to receive in such Merger Event.

If the Merger Event causes the ADSs or Ordinary Shares to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of holder election), then (i) the Reference Property into which the Note will be convertible shall be deemed to be the weighted average of the types and amounts of consideration actually received by the holders of ADSs, and (ii) the unit of Reference Property for purposes of the immediately preceding paragraph shall refer to the consideration referred to in clause (i) attributable to one ADS. If the holders of the ADSs or Ordinary Shares receive only cash in such Merger Event, then for all conversions for which the relevant Conversion Date occurs after the effective date of such Merger Event the consideration due upon conversion of each $1,000 principal amount of Notes shall be solely cash in an amount equal to the Conversion Rate in effect on the Conversion Date, *multiplied by* the price paid per ADS or Ordinary Share, as applicable, in such Merger Event.

Such amendment described in the second immediately preceding paragraph shall provide for anti-dilution and other adjustments that shall be as nearly equivalent as is practicable to the adjustments provided for in this Article V (it being understood that no such adjustments shall be required with respect to any portion of the Reference Property that does not consist of shares of

common equity (however evidenced) or depositary receipts in respect thereof). If, in the case of any Merger Event, the Reference Property includes shares of stock, securities or other property or assets (including cash or any combination thereof) of a Person other than the Company or the successor or purchasing Person, as the case may be, in such Merger Event, then such other Person shall also execute such amendment and such amendment shall contain such additional provisions to protect the interests of the holder of the Note.

(b) The Company shall not become a party to any Merger Event unless its terms are consistent with this Section 5.4. None of the foregoing provisions shall affect the right of a holder of a Note to convert its Note pursuant to the terms of the Note.

(c) The above provisions of this Section 5.4 shall similarly apply to successive Merger Events.

Section 1.5 Conversion Price Reset. On each of the first anniversary and second anniversary of the Closing Date (each such anniversary, a "Reset Date"), if the Volume Weighted Average Closing Price of the Company's Ordinary Shares during any consecutive 40-Trading Day period in the 12 months preceding the relevant Reset Date (the "Reference Price") is below 85% of the Initial Conversion Price, the Conversion Price shall be adjusted to 115% of such Reference Price. If during the 12 months preceding a Reset Date there is more than one consecutive 40-Trading Day period when the Volume Weighted Average Closing Price is below 85% of the Initial Conversion Price, then the Conversion Price for the applicable Reset Date shall be calculated based on the lower of (i) the Volume Weighted Average Closing Price of the most recent applicable 40-Trading Day Period and (ii) the average Volume Weighted Average Closing Price for all applicable 40-Trading Day Periods within the most recent 6 months. Notwithstanding the foregoing, in no event shall the Conversion Price be lower than 60% of the Initial Conversion Price.

Section 1.6 Notices.

(a) Immediately upon any adjustment of the Conversion Rate, the Company shall give notice of such adjustment to the Agent setting forth in reasonable detail and certifying the calculation of such adjustment, and the Agent shall send written notice thereof to each holder of this Note. Immediately upon any adjustment of the Conversion Price, the Agent shall send written notice thereof to the Company and each holder of this Note, setting forth in reasonable detail and certifying the calculation of such adjustment.

(b) The Company shall send written notice to the Agent at least twenty (20) days prior to the date on which the Company closes its books or takes a record (i) with respect to any dividend or distribution upon Ordinary Shares (whether direct or in the form of ADSs), any subdivision, stock split, reverse stock split or combination, or any tender offer or exchange offer, (ii) with respect to any pro rata subscription offer to holders of Ordinary Shares (whether direct or in the form of ADSs) or (iii) for determining rights to vote with respect to any Fundamental Change, dissolution or liquidation.

(c) The Company shall also give at least twenty (20) days' prior written notice to the Agent of the date on which any Fundamental Change, dissolution or liquidation shall take place.

ARTICLE VI

CERTAIN COVENANTS

Section 1.1 Additional Amounts.

(a) All payments and deliveries made by, or on behalf of, the Company or any successor to the Company under or with respect to the Note, including payments of principal, payments of interest and payments of cash and/or deliveries of ADSs (together with payments of cash for any fractional ADS) upon conversion of the Note, shall be made free from any restriction or condition without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company or any successor to the Company is, for tax purposes, organized or resident or doing business (each, as applicable, a "Relevant Taxing Jurisdiction") or through which payment is made or deemed made (together with each Relevant Taxing Jurisdiction, a "Relevant Jurisdiction," and in each case, any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company or any successor to the Company shall pay to the holder such additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by the holder after such withholding or deduction (and after deducting any taxes on the Additional Amounts) will equal the amounts that would have been received by such holder had no such withholding or deduction been required; provided that no Additional Amounts shall be payable for or on account of

(i) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(1) the existence of any present or former connection between the holder of the Note and the Relevant Jurisdiction, other than merely holding such Note or the receipt of payments thereunder, including such holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(2) the failure of the holder to comply with a timely request from the Company or any successor of the Company, addressed to the holder, to provide certification, information, documents or other evidence concerning the holder's or nationality, residence, identity or connection with the Relevant Jurisdiction, or to make any declaration or satisfy any other reporting requirement relating to such matters, if and to the extent that due and timely compliance with such request is required by statute, regulation or administrative practice of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable; or

(3) the presentation of the Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(ii) any estate, inheritance, gift, sale, transfer, excise, personal property or similar tax, assessment or other governmental charge; or

(iii) any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding from payments or deliveries under or with respect to the Note.

(b) If the Company or its successor is required to make any deduction or withholding from any payments or deliveries with respect to the Note, it shall deliver to the holder official tax receipts evidencing the remittance to the relevant tax authorities of the amounts so withheld or deducted.

Section 1.2 Increase in Conversion Rate Upon a Make Whole Fundamental Change Upon the occurrence of a Make Whole Fundamental Change, the Conversion Rate will be adjusted based on the Make Whole Premium with respect to any conversion requests made by the holder from the date of the announcement by the Company of the event giving rise to the Make Whole Fundamental Change until ten days after the consummation of such event.

Section 1.3 Repurchase of the Note Upon a Fundamental Change.

(a) Upon the occurrence of a Fundamental Change, the Company will offer to repurchase the Note at a purchase price of (i) 100% outstanding principal amount plus (ii) accrued and unpaid interest, calculated to the date of repurchase.

(b) The Company will permit the holder of the Note to present the Note for repurchase at any time prior to ten days following the consummation of the event giving rise to the Fundamental Change.

(c) If the Fundamental Change giving rise to the repurchase obligation pursuant to this Section 6.3 is also a Make Whole Fundamental Change, then the Company will permit the holder of the Note to present the Note for repurchase pursuant to this Section 6.3 for as long as the Note may also be converted at an adjusted Conversion Price based on the Make Whole Premium, as contemplated by Section 6.2 and, in such case, the purchase price will be (i) 100% outstanding principal amount, plus (ii) the Make Whole Premium plus (without duplication) (iii) accrued and unpaid interest, calculated to the date of repurchase.

Section 1.4 Certain Negative Covenants. So long as any Note remains outstanding, without the consent of the Majority Noteholders, the Company will not and will not permit any of its subsidiaries to,

(a) incur, directly or indirectly, including by refinancing, contingently or otherwise, or otherwise become liable in respect of, or amend the existing terms relating to, any Indebtedness; provided that this section (a) shall not restrict incurrence of any Permitted Debt or amend the existing terms of any Permitted Debt (including but not limited to, change of the amount of the commitment or credit line under such Existing Working Capital Facilities).

(b) directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) or series of related transactions with any Affiliate of the Company or any subsidiary thereof with a fair market value in excess of US$ 5,000,000, other than (i) any transaction or arrangement between or among the Company and Promethean (and its subsidiaries) undertaken in the ordinary course of business and (ii) any employment agreement or directorship agreement between any Group Company and its Affiliates.

(c) consummate any Asset Sale or Asset Acquisition, in each case in a single or series of related transactions, with a value or fair market value in excess of US$20,000,000, except for any sale or acquisition of equipment or inventory made in the ordinary course of trading.

(d) undertake any capital expenditures (other than capitalized research and development expenses) in excess of US$20,000,000 in any fiscal year.

Section 1.5 Certain Securities Matters.

(a) The Company covenants that all Ordinary Shares delivered upon conversion of the Note, and, if applicable, all ADSs representing such Ordinary Shares (such Ordinary Shares and, if applicable, ADSs, the "Conversion Securities"), will be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

(b) The Company covenants that, if any of the Conversion Securities require registration with or approval of any governmental authority under any federal or state law before such Conversion Securities may be validly issued upon conversion, the Company will, to the extent then permitted by the rules and interpretations of the United States Securities Exchange Commission, secure such registration or approval, as the case may be.

(c) The Company further covenants that if at any time Conversion Securities are delivered, such Ordinary Shares or ADSs are listed on a Qualified Stock Exchange the Company will use reasonable best efforts to list and keep listed, so long as the applicable Conversion Securities shall be so listed on such exchange, any Conversion Securities deliverable upon conversion of the Note.

(d) The Company further covenants to take all actions and obtain all approvals and registrations required with respect to the conversion of the Note into Conversion Securities and the issuance of Conversion Securities (including, if applicable, the deposit into the ADS facility, of the Ordinary Shares represented by such ADSs). The Company also undertakes to maintain, as long as any Note is outstanding and the public trading market for the Company's equity securities is in the form of ADSs, the effectiveness of a registration statement on Form F-6 relating to the ADSs and an adequate number of ADSs available for issuance thereunder such that ADSs can be delivered in accordance with the terms of the Note and the Deposit Agreement upon conversion of the Note in full into ADSs.

(e) If the Ordinary Shares cease to be represented by ADSs issued under a depositary receipt program sponsored by the Company, all references in this Note to the ADSs shall be deemed to have been replaced by a reference to the number of Ordinary Shares (and other property, if any) represented by the ADSs on the last day on which the ADSs represented the Ordinary Shares and as if the Ordinary Shares and the other property had been distributed to holders of the ADSs on that day. In addition, all appropriate adjustments, including adjustments to the Conversion Rate, will be made to reflect such change. In making such adjustments, where currency translations between U.S. dollars and any other currency are required, the exchange rate in effect on the date of determination will apply. The Company shall provide written notice to the Agent upon the occurrence of the foregoing.

Section 1.6 Transfers of the Note. (a) Purchaser or any subsequent holder of the Note may transfer all or a portion of the Note, in a single transaction or multiple transactions, to any third party so long as such transfer complies with the legends set forth on the Note and otherwise complies with applicable securities laws. Any transfer of the Note made in violation of this Section 6.6 shall be null and void *ab initio* and shall not be recorded on the books and records of the Company.

(a) Any holder of the Note seeking to transfer all or a portion of the Note will deliver notice of such intended transfer to the Company and the Agent. Upon receipt of such Notice, the Company will take all action necessary to effect such transfer, including promptly issuing one or more new Notes to such transferees.

(b) In the event that all or a portion of the Note has been transferred to multiple holders, references in the Note to the singular form of "Note" and "holder" shall instead refer to the plural form of such words, *mutatis mutandis*.

ARTICLE VII

AMENDMENT, WAIVER AND NOTEHOLDERS' RESOLUTIONS

The provisions of any Note may only be amended with the consent of the holder of the Note, provided that the Company can amend the Note pursuant to Section 5.4 or Article XIII in any manner specifically contemplated by such provisions that does not adversely impact the legal rights of the holder of the Note. Further, neither of the Guaranty Agreement nor the Share Charge Agreement may be amended without the consent of the holders of the Required Holders.

The Company may at any time and shall at the request in writing of Majority Noteholders convene a meeting of holders of the Notes by giving not less than 7 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) thereof to holders of the Notes which notice shall specify the date, time and place of the meeting and shall specify the nature of the resolutions to be proposed. Such meeting shall have power by a resolution passed by the Majority Noteholders or Required Noteholders (as applicable) to, among other things, approve matters contemplated under Section 6.4, sanction any amendment or waiver or compromise or agreement or any arrangement in respect of the rights of the holders against the Company, to do anything required to be done by resolution and to assent to any amendment or abrogation of the provisions of the Notes (including all matters in relation to or in connection with the Bond Documents). A resolution signed by the Majority Noteholders shall be as valid and effectual as if it had been passed at a meeting of holders of the Notes duly convened and held. All resolutions passed at any meeting or resolutions by way of written resolutions or any actions taken by the Majority Noteholders or Required Noteholders (as applicable) shall be binding on all holders of the Notes, whether or not they are present or represented at the meeting. The provisions governing the conduct of meetings are as set out in Exhibit 2 (Provisions Governing Noteholder Meetings) hereto.

ARTICLE VIII

CANCELLATION

After the entire principal amount (including any accrued and unpaid interest) at any time owed on this Note has been paid in full or this Note has been converted in full to Ordinary Shares (or ADSs, as applicable) or other property, this Note shall be surrendered to the Company for cancellation and shall not be reissued.

ARTICLE IX

PAYMENTS

This Note is payable without relief from valuation or appraisement laws. All payments to be made to the holder of the Note shall be made in the lawful money of the United States of America in immediately available funds; provided, that the Company shall not have the right to pre-pay the outstanding principal of any Note without the consent of the holder of the Note.

ARTICLE X

PLACE OF PAYMENT

Payments of principal and interest shall be delivered to the holder at an account to be specified in writing to the Company and the Agent from time to time.

ARTICLE XI

GOVERNING LAW AND DISPUTE RESOLUTION

Section 1.1 THIS NOTE AND ALL ISSUES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW).

Section 1.2 Arbitration.

(a) Any dispute, controversy, difference or claim arising out of or relating to this Note (including without limitation any question regarding its existence, validity, interpretation, performance, breach or termination or any dispute regarding non-contractual obligations arising out of or relating to it) shall be referred to and finally resolved by arbitration in New York before a single arbitrator of the American Arbitration Association (the "AAA").

(b) The arbitrator shall be selected by application of the rules of the AAA, except that such arbitrator shall be an attorney admitted to practice law in the State of New York. Nothing in this section shall limit a party's right to obtain an injunction for a breach of the Note from a court of law. Any injunction obtained shall remain in full force and effect until the arbitrator fully adjudicates the dispute.

ARTICLE XII

SUBORDINATION

This Note and the interest accrued under the Note are the senior obligations of the Company and will rank pari passu in right of payment with all other senior and unsubordinated obligations of the Company.

ARTICLE XIII

CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE

Section 1.1 Company may Consolidate, Etc. on Certain Terms. Subject to the provisions of Section 13.2, the Company shall not consolidate with, merge with or into, or sell, convey, transfer or lease all or substantially all of its properties and assets to another Person, unless:

(a) the resulting, surviving or transferee person (the "Successor Company"), if not the Company, shall be a corporation organized and existing under the laws of the United States of America, any State thereof, the District of Columbia, the Cayman Islands, the British Virgin Islands, Bermuda or Hong Kong and the Successor Company (if not the Company) shall expressly assume, by amendment of the Note all of the obligations of the Company under the Note; and

(b) immediately after giving effect to such transaction, no Event of Default or an event that would become an Event of Default with notice and/or the passage of time shall have occurred and be continuing.

For purposes of this Section 13.1, the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of one or more Subsidiaries of the Company to another Person, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Company to another Person.

Section 1.2 Successor Corporation to Be Substituted. In case of any such consolidation, merger, sale, conveyance, transfer or lease and upon the assumption by the Successor Company by amendment to the Note of the due and punctual payment of the principal of and accrued and unpaid interest on the Note, the due and punctual delivery or payment, as the case may be, of any consideration due upon conversion of the Note and the due and punctual performance of all of the covenants and conditions of the Note to be performed by the Company, such Successor Company (if not the Company) shall succeed to and, except in the case of a lease of all or substantially all of the Company's properties and assets, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part.

ARTICLE XIV

GUARANTY AND SECURITY

Section 1.1 Guaranty Agreement.

The holder of the Note shall benefit from the separate guarantee of the Note, as reflected in the Guaranty Agreement dated as of the Closing Date, as it may be amended from time to time in accordance with Article VII of this Note, by and between the Guarantor and the Agent.

Section 1.2 Share Charge Agreement.

The holder of the Note shall benefit from a share charge granted pursuant to the Share Charge Agreement dated as of the Closing Date, as it may be amended from time to time in accordance with Article VII of this Note. The share charge may be released on the terms and subject to the conditions set forth in the Share Charge Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has executed and delivered this Note on December 13, 2023.

MYND.AI, INC.

By: /s/ Simon Leung

Name: Simon Leung

Title: Chairman

EXHBIT 1

Form of Notice of Conversion

[FORM OF NOTICE OF CONVERSION]

To: Wilmington Savings Fund Society, FSB
500 Delaware Avenue, 11th Floor
Wilmington, DE 19801
Attention: Mynd.ai, Inc. Administrator

The undersigned registered owner of this Note hereby exercises the option to convert this Note, or the portion hereof (that is $1,000 principal amount or an integral multiple thereof) below designated, into Ordinary Shares in accordance with the terms of this Note, and directs that any Ordinary Shares or ADSs issuable and deliverable upon such conversion, together with any Notes representing any unconverted principal amount hereof, be issued and delivered to the registered Holder hereof unless a different name has been indicated below. Any amount required to be paid to the undersigned on account of interest accompanies this Note. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in this Note.

Dated: _____

_____

_____

Signature(s)

Fill in for registration of shares if to be issued, and Notes if to be delivered, other than to and in the name of the registered holder:

_____
(Name)

_____
(Street Address)

_____
(City, State and Zip Code)
Please print name and address

Principal amount to be converted (if less than all): $_____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.

Social Security or Other Taxpayer Identification Number

EXHBIT 2

PROVISIONS GOVERNING NOTEHOLDER MEETINGS

1. Poll

On a poll, each holders of the Notes, proxy or representative will have a vote in respect of each US$1 in principal amount of Notes held or for which it is a proxy or representative. All votes will be conducted by poll.

2. Proxies

(a). Any holder of the Note shall be permitted to appoint a proxy to represent him at any meeting of holders of the Notes. A proxy need not be a holder of the Note and need not be a member of the Company. Any holder of the Note wishing to appoint a proxy must deliver to the specified office of the Company a notice in writing signed by the holder of the Note or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporation stating that the holder of the Note desires to appoint a proxy to represent the holder of the Note at the meeting. The notice shall state the name of the proxy and the notice will only be valid if delivered to the specified office of the Company at least 48 hours prior to the time appointed for the commencement of the meeting. A validly appointed proxy shall have the right to vote on a resolution or act on his or its behalf in connection with any meeting or proposed meeting. A holder of a Note which is a corporation may, by delivering to the specified office of the Company not later than 48 hours before the time fixed for any meeting a resolution of its directors or other governing body in English, authorize any person to act as its representative (a "representative") in connection with any meeting or proposed meeting of holders of the Notes.

(b). A proxy or representative so appointed shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of holders of the Notes specified in such appointment, to be the holder of the Notes to which such appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.

3. Adjournments

(a). If within a quarter of an hour after the time appointed for any meeting of holders of the Notes a quorum as set out in paragraph 2 above is not present, the meeting shall stand adjourned to such day (not being less than 14 or more than 28 days after the date of the meeting from which such adjournment takes place) and time and place as the chairman of the meeting may determine and at the adjourned meeting the holders present (whatever the amount held or represented by them) shall form a quorum. Notice of an adjourned meeting shall be given in like manner as for the original meeting and such notice shall state that the holders of the Notes present at such meeting whatever their number or the Notes held or represented by them will constitute a quorum for all purposes.

(b). The chairman of the meeting may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting which may not lawfully have been transacted at the meeting from which the adjournment took place.

(c). The chairman shall be selected by the Company, failing which the Majority Noteholders (on behalf of all Noteholders) shall be entitled to elect a chairman (who need not be a Noteholder).

(d). Holders of the Notes, proxies and representatives shall be entitled to attend and vote at any meeting of holders of the Notes.

(e). The following persons shall be entitled to attend any meeting of the holders of the Notes:

(i). representatives of the Company; and

(ii). the Company's legal and financial advisers.

4. Written Resolutions

A resolution in writing signed by or on behalf of the Majority Noteholders or Required Noteholders (as applicable) who for the time being are entitled to receive notice of a meeting in accordance with these provisions shall for all purposes be as valid as a resolution passed at a meeting of holders of Notes convened and held in accordance with these provisions. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of holders of Notes.

Schedule 1

Existing Working Capital Facilities

Lender(s)	**Borrower(s)**	**Total commitment amount of the facility**	**Estimated Outstanding Amount on the Closing Date**
BANK OF AMERICA, N.A.	PROMETHEAN INC. PROMETHEAN LIMITED	$74,000,000	Approximately $36,000,000

Exhibit 2.9

Execution Version

DATED DECEMBER 13, 2023

ELMTREE INC.

as Chargor

and

WILMINGTON SAVINGS FUND SOCIETY, FSB

as Collateral Agent

SHARE CHARGE

CONTENTS

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THIS SHARE CHARGE (referred to herein as this "**Deed**") is made and delivered as a deed on December 13, 2023

BETWEEN:

(1) **ELMTREE INC.**, an exempted company registered under the laws of the Cayman Islands with limited liability with company registration number 401500 with its registered office at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands (the "**Chargor**"); and

(2) **WILMINGTON SAVINGS FUND SOCIETY, FSB** as security trustee for the other Secured Parties (the "**Collateral Agent**").

IT IS HEREBY AGREED AS FOLLOWS

1. **DEFINITIONS & INTERPRETATION**

1.1 Unless otherwise defined or the context otherwise requires, words or expressions defined in the Note Purchase Agreement shall have the same meaning when used in this Deed.

1.2 In addition, in this Deed:

"**Cayman Companies Act**" means the Companies Act (as revised) of the Cayman Islands.

"**Company**" means Promethean World Limited, a private limited company registered under the laws of England and Wales with company registration number 07118000 with its registered office at Promethean House Lower Philips Road, Whitebirk Industrial Estate, Blackburn, Lancashire, BB1 5TH.

"**Effective Time**" means the time at which the deed of release in respect of the Existing Share Charge takes effect.

"**Enforcement Notice**" means a written notice given by the Collateral Agent to the Chargor at any time after the occurrence of the events as set out under Clause 13.1, notifying the Chargor that the Collateral Agent intends to enforce on the Security.

"**Existing Share Charge**" the share charge agreement dated November 21, 2023 between Elmtree Inc. as chargor and Madison Pacific Trust Limited as security agent in respect of the Shares under the Existing Bonds, as amended, varied, novated or supplemented from time to time.

"**Issuer**" means Mynd.ai, Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands and formerly known as Gravitas Education Holdings, Inc.

"**Legal Reservations**" shall mean(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors; (b) the time barring of claims under any applicable law of any relevant jurisdiction, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defences of set-off or counterclaim; and (c) similar principles, rights and defences under the laws of any relevant jurisdiction.

"**Note Purchase Agreement**" means the senior secured convertible note purchase agreement dated April 18, 2023 by and between, the Issuer as issuer of the notes thereunder, and the

purchaser of notes identified therein, as Purchaser, as amended, varied, novated or supplemented from time to time.

"**Obligors**" means the Chargor, the Company and the Issuer. "**Party**" means a party to this Deed.

"**Perfection Requirements**" shall mean any and all registrations, filings, notarisations, notices, payment of stamp, registration, notarial or other similar taxes or fees and other actions and steps required to be made in any applicable jurisdiction in order to perfect security interests created by the Share Charge Agreement or in order to achieve the relevant priority for such security interests.

"**Qualified Equity Financing**" means an equity financing raised by the Issuer based on an implied valuation at least equal to the merger valuation which yields cash proceeds of at least
$50,000,000 (less all fees and expenses incurred in connection with the financing).

"**Qualified Stock Market**" means any of the New York Stock Exchange, NYSE American or any tier of the Nasdaq Stock Market.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Secured Assets.

"**Register of Mortgages and Charges**" means the register of mortgages and charges of the Chargor maintained in accordance with section 54 of the Cayman Companies Act.

"**Related Rights**" means, in respect of any Share:

(a) all monies paid or payable in respect of that Share (whether as income, capital or otherwise);

(b) all shares, investments or other assets derived from that Share; and

(c) all rights derived from or incidental to that Share.

"**Secured Assets**" means all of the assets which from time to time are the subject of the Security created (or expressed to be created) by or under this Deed in favour of the Collateral Agent.

"**Secured Obligations**" means all present and future obligations and liabilities at any time due, owing or incurred by the Issuer, the Company and the Chargor to any of the Secured Parties under the Bond Documents (whether actual or contingent and whether owed jointly, severally or in any other capacity).

"**Secured Parties**" means the Collateral Agent and the Purchaser, together with their respective successors, assigns, and transferees.

"**Security**" means any mortgage, charge, pledge, lien, assignment or other security securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Period**" means the period beginning on the Effective Time and ending on the earliest to occur of:

(a) the date on which (i) all Notes issued pursuant to the Bond Documents have been converted and all Ordinary Shares or ADSs issued upon such conversion shall have been made eligible for listing on a Qualified Stock Exchange in accordance with the

terms of the Bond Documents (provided that such eligibility need not be available if at the time of such conversion the Ordinary Shares or ADSs are not then tradeable under Rule 144 (or any other exemption from registration) under the Securities Act of 1933 (as amended from time to time) without limitation on the amount of securities sold or the manner of sale), and (ii) the Issuer shall have received the cash proceeds of a Qualified Equity Financing; or

(b) the later to occur of: (i) the Maturity Date with respect to the Notes; and (ii) the date on which all obligations of the Issuer pursuant to the Bond Documents are paid in full or otherwise fully satisfied (other than inchoate indemnity obligations).

"**Shares**" means all shares in the capital of the Company, present and future, held directly or indirectly by (or to the order of or on behalf of) the Chargor from time to time including any shares and investments (if any) specified in Schedule 1 (*Shares*).

"**Trust Property**" means:

(a) the Security created or evidenced or expressed to be created or evidenced under or pursuant to any of the Bond Documents (being the "**Bond Security**"), and expressed to be granted in favour of the Collateral Agent as trustee for the Secured Parties and all proceeds of that Bond Security;

(b) all obligations expressed to be undertaken by the Obligors to pay amounts in respect of its liabilities to the Collateral Agent as trustee for the Secured Parties and secured by the Bond Security together with all representations and warranties expressed to be given by the Obligors in favour of the Collateral Agent as trustee for the Secured Parties;

(c) the Collateral Agent's interest in any trust fund created pursuant to any turnover of receipt provisions in any Bond Documents; and

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Collateral Agent is required by the terms of the Bond Documents to hold as trustee on trust for the Secured Parties.

1.1 **Interpretation**

In this Deed:

(a) Unless a contrary indication appears, a reference to:

(i) the "**Chargor**", the "**Collateral Agent**", the "**Company**", the "**Issuer**", the "**Secured Parties**", or any other person shall be construed so as to include its successors in title, permitted assigns and/or permitted transferees;

(ii) a reference in this Deed to any Secured Asset or other asset includes, unless the contrary intention appears, present and future Secured Assets and other assets.

(iii) the absence of or incomplete details of any Secured Assets in any Schedule to this Deed shall not affect the legal validity or enforceability of any Security under this Deed; and

(iv) this Deed, the Note Purchase Agreement or any other agreement or instrument is a reference to this Deed, the Note Purchase Agreement or that other

agreement or instrument as amended, novated, varied, released, supplemented, extended or restated or replaced from time to time (however fundamentally).

(b) A reference to a Clause or Schedule is a reference to a clause or schedule to this Deed and any reference to this Deed includes its Schedules.

(c) A provision of law is a reference to that provision as amended or re-enacted.

(d) The index to an the headings in this Deed are inserted for convenience only and are to be ignored in construing this Deed.

(e) Words importing the plural shall include the singular and vice versa.

1.2 **Third Party Rights**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and no rights or benefits expressly or impliedly conferred by this Deed shall be enforceable under that Act against the Parties by any other person.

1.3 **Collateral Agent assumes no obligation**

The Collateral Agent shall not be under any obligation in relation to the Secured Assets as a consequence of this Deed and the Chargor shall at all times remain liable to perform all obligations in respect of the Secured Assets.

1.4 **Conflicts**

Notwithstanding anything in this Deed to the contrary, the security granted in favour of the Collateral Agent remains subject to the Note Purchase Agreement. In the event of any inconsistency or conflict between the terms of this Deed and the Note Purchase Agreement, the terms of the Note Purchase Agreement shall prevail.

1.5 **Declaration of trust**

(a) Pursuant to its appointment as agent under section 9.7 of the Note Purchase Agreement, the Collateral Agent hereby accepts its appointment as agent and trustee by the Secured Parties and declares (and the Chargor hereby acknowledges) that the Trust Property (including the security constituted by this Deed) is held by the Collateral Agent as trustee for and on behalf of the Secured Parties on the basis of the duties, obligations and responsibilities set out in the Bond Documents.

(b) Section 1 of the Trustee Act 2000 shall not apply to the duties of the Collateral Agent in relation to the trusts created by this Deed or any other Bond Document. In performing its duties, obligations and responsibilities, the Collateral Agent shall be considered to be acting only in a mechanical and administrative capacity or as expressly provided in this Deed and the other Bond Documents.

(c) In acting as trustee for the Secured Parties under this Deed, the Collateral Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments. Any information received by some other division or department of the Collateral Agent may be treated as confidential and shall not be regarded as having been given to the Collateral Agent's trustee division.

2. **COVENANT TO PAY**

1.1 **Covenant to pay**

(a) The Chargor as primary obligor covenants with the Secured Parties that it shall, on demand, pay and discharge to the Secured Parties the Secured Obligations in the manner provided for in the Bond Documents pursuant to which such Secured Obligations arise and whether the relevant indebtedness, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety or in any other manner whatsoever. The Chargor hereby agrees to indemnify the Collateral Agent and each of the other Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms.

(b) The covenants contained in this Clause 2.1 and the Security created by this Deed shall not extend to or include any liability or sum which would otherwise cause any such covenant or Security to be unlawful or prohibited by any applicable law.

1.2 **Default interest**

If any amount payable by the Chargor under this Deed is not paid on its due date, interest shall accrue on a daily basis on the overdue amount from the due date of payment of such sum until the date of actual payment (both before and after judgment) at the default rate of 2% per annum higher than the rate as stipulated under Section 2.1 (*Cash Interest Payments*) of the Note.

3. **CHARGING PROVISIONS**

1.1 **General**

All Security created by the Chargor in favour of the Collateral Agent under Clause 3.2 (*Grant of Security*) is:

(a) created with full title guarantee;

(b) continuing Security for the payment and discharge of the Secured Obligations; and

(c) granted in respect of all the rights, title and interest (if any), present and future, of the Chargor in and to the relevant Secured Asset.

1.2 **Grant of Security**

With effect from the Effective Time, the Chargor charges by way of first fixed charge, in favour of the Collateral Agent as trustee for the Secured Parties, all of its present and future rights, benefits, title and interest in and to all the Shares and Related Rights which are at any time owned by the Chargor or in which the Chargor has an interest from time to time.

4. **GENERAL SECURITY PROVISIONS**

1.1 **Continuing security**

The Security constituted by this Deed shall be continuing security and shall remain in full force and effect for the duration of the Security Period and regardless of any intermediate payment, discharge, satisfaction or settlement by any person of the whole or any part of the Secured Obligations or any other act, matter or thing.

If upon final repayment and satisfaction of the Secured Obligations there shall exist any right on the part of the Chargor or any other person to draw funds or otherwise which, if exercised,

would or might cause the Chargor to become actually or contingently liable to any Secured Party, whether as principal debtor or as surety for another person, then the relevant Secured Party will be entitled to retain this Deed and all rights, remedies and powers conferred by this Deed for so long as shall or might be necessary to secure the discharge of such actual or contingent liability.

1.2 **Additional security**

The Security created, or purported to be created, by this Deed is in addition to and is not in any way prejudiced or affected by any other guarantee, Security or other right now or subsequently held by any Secured Party whether in relation to the Secured Obligations or otherwise.

1.3 **Settlements conditional**

(a) If the Collateral Agent considers (in its reasonable opinion) that any amount paid by any person (including, for the avoidance of doubt, the Chargor) in respect of the Secured Obligations could reasonably be expected to be avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been irrevocably paid.

(b) Any settlement, discharge or release between the Chargor and the Collateral Agent shall be conditional upon no Security or payment to or for the Collateral Agent by the Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency, liquidation or otherwise.

1.4 **Waiver of defences**

The liability of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 4.4, would reduce, release or prejudice any of its liability under this Deed (without limitation and whether or not known to it or the Collateral Agent) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or any other person;

(b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor or such other person;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;

(e) any amendment (however fundamental) or replacement of any Bond Document, any other document or any Security;

(f) any security, guarantee, indemnity, remedy or other right held by, or available to, a Secured Party;

(g) any unenforceability, illegality or invalidity of any obligation of any person under any document or Security; or

(h) any insolvency or similar proceedings.

1.5 **Immediate recourse**

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee, Receiver or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before enforcing its rights under and in accordance with Clause 13 (*Enforcement of Security*). This waiver applies irrespective of any law or any provision of any Bond Document or any other document to the contrary.

1.6 **Deferral of rights**

Until the end of the Security Period and unless the Collateral Agent otherwise directs in writing, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising, under this Deed:

(a) to be indemnified by any Obligor;

(b) to claim any contribution from any guarantor of any Obligor's obligations under any other Bond Document;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Secured Party under the Bond Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Bond Documents by any Secured Party;

(d) to bring legal or other proceedings for an order requiring any Obligor or any other person to make any payment, or perform any obligation, in respect of which any Obligor or other person has given a guarantee, undertaking or indemnity under any Bond Document;

(e) to exercise any right of set-off against any Obligor or any other person; and/or

(f) to claim or prove as a creditor of any Obligor or any other person in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to any such right it shall hold that benefit, payment or distribution (or so much of it as may be necessary to enable all amounts which may be or become payable to the a Secured Party by the Obligors under or in connection with the Bond Documents to be paid in full) on trust for the Secured Parties, and shall promptly pay or transfer the same to the Collateral Agent or as the Collateral Agent may direct for application in accordance with Clause 19 (*Application of proceeds*).

5. **PERFECTION OF SECURITY**

1.1 **Deposit of documents**

(a) The Chargor shall promptly after the date of the Effective Time (and in any event within 3 days of the date of this Deed), deposit with the Collateral Agent (or procure the deposit of) all certificates and other documents of title to the Shares, and stock transfer forms (executed in blank by or on behalf of the Chargor) in respect of the Shares and

the Collateral Agent shall be able to hold such documents of title and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time following the occurrence of an Event of Default to complete, under its power of attorney given in this Deed, the stock transfer forms on behalf of the Chargor in favour of itself or such other person as it shall select; provided that it is agreed between Chargor and Collateral Agent that the share certificate in respect of the Shares will be deposited with the Collateral Agent promptly after the date of the Effective Time (and in any event within 30 days of the date of this Deed).

(b) The Chargor shall, promptly upon (and in any event within thirty business days of) the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares and the Related Rights (or upon acquiring any interest therein) notify the Collateral Agent of that occurrence and deposit with the Collateral Agent (or procure the deposit of): (i) all certificates and other documents of title representing such assets and (ii) such stock transfer forms or other instruments of transfer (executed in blank by or on behalf of the Chargor) in respect thereof as the Collateral Agent may require.

1.2 **Cayman Registration**

The Chargor shall upon the Effective Time, instruct its registered office provider to enter particulars as required by the Cayman Companies Act created pursuant to this Deed in the Register of Mortgages and Charges and immediately after entry of such particulars has been made, and in any event within 15 business days after the date of the Effective Time, provide the Collateral Agent with a certified true copy of the updated Register of Mortgages and Charges in a form and substance satisfactory to the Collateral Agent.

1.3 **Custodians**

The Collateral Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to all or any part of the Secured Assets as the Collateral Agent may reasonably determine and the Collateral Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any such person or be bound to supervise the proceedings or acts of any such person.

6. **NEGATIVE PLEDGE**

The Chargor shall not at any time during the Security Period create or permit to subsist any Security over all or any part of the Secured Assets other than the Security created pursuant to this Deed.

7. **RESTRICTIONS ON DISPOSALS**

The Chargor shall not at any time during the Security Period enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Secured Assets.

8. **FURTHER ASSURANCE**

1.1 The Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions and making all filings and registrations) as the Collateral Agent may reasonably specify (and in such form as the Collateral Agent may require) in favour of the Collateral Agent or its nominee(s):

(a) to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Collateral Agent provided by or pursuant to this Deed or by law; and/or

(b) to, when and for so long as the Security constituted by this Deed is enforceable in accordance with Clause 13 (*Enforcement of Security*), facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed.

1.2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary or desirable for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Collateral Agent by or pursuant to this Deed.

1.3 Any document required to be executed by the Chargor under this Clause 8 will be prepared at the cost of the Chargor.

9. REPRESENTATIONS

1.1 General

The Chargor makes the representations and warranties set out in this Clause 9 to the Secured Parties.

1.2 Status

It is a company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

1.3 Binding obligations and security

(a) Subject to the Legal Reservations, the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations; and

(b) This Deed creates the Security which it purports to create and the Security is valid and effective.

1.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or other document binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or other document.

1.5 Power and authority

Subject to the Legal Reservations and the Perfection Requirements, it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by it.

1.6 **Validity and admissibility in evidence**

Subject to the Legal Reservations and the Perfection Requirements, all authorizations required:

(a) to enable it lawfully to execute, deliver and perform its obligations this Deed; and

(b) to make this Deed admissible in evidence in its jurisdiction of incorporation (other than, in respect of the Cayman Islands, the payment of stamp duty referred to in Clause 9.7 (*No filing or stamp taxes*)),

have been obtained or effected and are in full force and effect.

1.7 **No filing or stamp taxes**

No stamp registration duty or similar tax or charge is payable under the laws of its jurisdiction of incorporation in respect of this Deed provided that stamp duty will be payable in respect of this Deed if this Deed is executed in, brought into or produced before a court of the Cayman Islands.

1.8 **Good title to assets**

It has a good, valid and marketable title to the Secured Assets and none of the Secured Assets is entitled to immunity on any grounds from any legal proceeding.

1.9 **Legal and beneficial ownership**

It is the sole legal and beneficial owner of the assets over which it purports to grant Security in this Deed, free from any other Security.

1.10 **Shares**

(a) The Shares are:

(i) fully paid;

(ii) not subject to any option to purchase or similar rights; and

(iii) freely transferable with no consents being required to the transfer or its registration.

(b) The Shares constitute the whole of the issued share capital of the Company.

1.11 **Ranking**

Subject to the Legal Reservations and the Perfection Requirements, the Security created by this Deed has or will, upon registration of the particulars of the Security in accordance with Clause
5.2 (*Cayman registration*), have first ranking priority and it is not subject to any prior ranking or *pari passu* Security.

1.12 **No default**

No event or circumstance has occurred which constitutes a default under any deed or instrument which is binding on it, or to which its Secured Assets are subject.

1.13 **Times when representations made**

(a) All the representations and warranties in this Clause 9:

(i) are made by the Chargor on the date of this Deed; and

(ii) shall be deemed to be repeated by the Chargor on each day falling within the Security Period.

(b) Each representation or warranty made or deemed to be repeated after the date of this Deed shall be made or deemed to be repeated by reference to the facts and circumstances existing at the date the representation or warranty is made or deemed to be repeated.

10. **VOTING RIGHTS AND DIVIDENDS**

1.1 **Voting rights and dividends prior to an Event of Default**

Prior to the occurrence and during the continuance of an Event of Default, the Chargor shall:

(a) be entitled to receive all dividends, interest and other monies or distributions of an income nature arising from the Shares;

(b) be entitled to exercise all voting rights in relation to the Shares, provided that:

(i) it does so for a purpose not inconsistent with other provisions of this Deed and the Bond Documents; and

(ii) the exercise of or, as the case may be, the failure to exercise those rights would not affect the fundamental characteristics or have an adverse effect on the ability of the Collateral Agent to realise the Security and would not otherwise prejudice the interests of any Secured Parties under any Bond Document.

1.2 **Voting rights and dividends after an Event of Default**

Upon the occurrence of an Event of Default, the Collateral Agent may, at its discretion, in the name of the Chargor or otherwise and without any further consent or authority from the Chargor:

(a) exercise (or refrain from exercising) any voting rights in respect of the Shares;

(b) apply all dividends, interest and other monies arising from the Shares (if any) as though they were the proceeds of sale in accordance with Clause 19 (*Application of Proceeds*);

(c) transfer the Shares into the name of the Collateral Agent or such nominee(s) of the Collateral Agent as it shall require; and

(d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares including the right, in relation to the Company, to concur or participate in:

(i) the reconstruction, amalgamation, sale or other disposal of the Company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);

(ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and

(iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Collateral Agent thinks fit, and the proceeds of any such action shall form part of the Shares.

1.3 **Payment of calls**

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Shares, and in any case of default by it in such payment, the Collateral Agent may, if it thinks fit, but is not obliged to, make such payment on its behalf in which case any sums paid by the Collateral Agent shall be reimbursed by the Chargor to the Collateral Agent on demand and shall carry interest from the date of payment by the Collateral Agent until reimbursed in accordance with Clause 2.2 (*Default interest*).

1.4 **Exercise of rights**

The Chargor shall not exercise any of its rights and powers in relation to any of the Shares in any manner which would prejudice the value of, or the ability of the Collateral Agent to realise, the Security created pursuant to this Deed.

11. **GENERAL UNDERTAKINGS**

1.1 **Secured Assets**

The Chargor shall during the Security Period in respect of any Secured Asset:

(a) take all such steps and do all such acts as may be necessary or desirable to preserve and maintain the subsistence, validity and value of such Secured Assets;

(b) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any lease, agreement or other document) from time to time affecting any of the Secured Assets or their use or enjoyment; and

(c) not use or permit any such Secured Asset to be used in any way which may adversely affect its value.

1.2 **Retention of documents**

The Collateral Agent may retain any document constituting part of the Secured Assets delivered to it pursuant to this Deed or otherwise until the Security created by this Deed is released and if for any reason it ceases to hold any such document before such time, it may by notice to the Chargor require that the relevant document, to the extent in the Chargor's possession, be redelivered to it and the Chargor shall promptly comply (or procure compliance) with such notice, to the extent reasonably possible.

1.3 **Defence of Secured Assets**

The Chargor shall take all such reasonable and necessary action, at its own expense, to appear in and defend any action, suit or proceeding which purports to affect its title to, or right or interest in, the Secured Assets.

1.4 **Compliance with obligations**

The Chargor shall:

(a) observe, perform and otherwise comply with all covenants and other obligations and matters (whether or not contained in any lease, agreement or other document) from time to time affecting any of the Secured Assets or their use or enjoyment;

(b) comply with all (and not permit any breach of any) bye-laws and other laws and regulations (whether relating to planning, building or any other matter) affecting any of the Secured Assets; and

(c) pay (or procure the payment of) all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Secured Assets.

1.5 **Enforcement of rights**

The Chargor shall at its own cost use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Collateral Agent may from time to time require.

1.6 **Preservation of Secured Assets**

The Chargor shall do and perform all reasonable acts that may be necessary to maintain, preserve and protect the Secured Assets.

1.7 **Issuance of Shares**

The Chargor will not consent to or approve, or allow the Company to consent to or approve, the issuance to any person of any additional shares of any class or any other equity interest of the Company, or of any securities convertible into or exchangeable for any such shares or other equity interests, or any warrants, options or other rights to purchase or otherwise acquire any such shares or other equity interests, except as (1) permitted under the Bond Documents or (2) any such issuance to (a) the Chargor or (b) the Issuer and **provided that** any further shares of any class or any other equity interest of the Company, or of any securities convertible into or exchangeable for any such shares or other equity interests, or any warrants, options or other rights to purchase or otherwise acquire any such shares or other equity interests in the Company, issued to the Chargor shall form part of the Secured Assets and, upon any such issuance, the Chargor shall deliver to the Collateral Agent the items listed in Clause 5.1 (*Deposit of documents*).

12. **SECURITY POWER OF ATTORNEY**

1.1 **Appointment and powers**

The Chargor, by way of security for the performance of its obligations under this Deed, irrevocably appoints the Collateral Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to, when and for so long as the Security constituted by this Deed is enforceable in accordance with Clause 13 (*Enforcement of Security*), execute, deliver and perfect all documents and do all things which the attorney may (acting in its sole discretion) consider to be required or desirable for:

(a) carrying out any obligation imposed on the Chargor by this Deed but following the expiry of any time period permitted for the performance has failed to do so by the date

it was obliged to do (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Secured Assets); or

(b) following the occurrence of an Event of Default, enabling the Collateral Agent exercise, or delegate the exercise of, all or any of the rights, powers and remedies of the Collateral Agent provided by this Deed or by law.

1.2 **Ratification**

The Chargor ratifies and confirms, and agrees to ratify and confirm, whatever any attorney does or purports to do pursuant to its appointment under this Clause 12.

13. **ENFORCEMENT OF SECURITY**

1.1 **When security is enforceable**

Upon the occurrence of:

(a) an Event of Default;

(b) any event or the receipt by the Collateral Agent of any information or the coming to the attention of the Collateral Agent of any other matter or thing whatsoever which causes the Collateral Agent to reasonably believe (or determine based on the instructions of the Purchaser) that all or any part of the Secured Assets is in danger of seizure, distress or other legal process or that all or any part of the Security created by or pursuant to this Deed is otherwise for any reason whatsoever in jeopardy;

(c) the presentation of an application to the court for the making of an administration order in relation to the Chargor;

(d) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of the Chargor or the filing of such a notice with the court; or

(e) a request from the Chargor to the Collateral Agent that it exercise any of its powers under this Deed,

and in each case, upon the expiration of five (5) days after an Enforcement Notice has been delivered by the Collateral Agent to the Chargor.

1.2 **Rights and Powers of the Collateral Agent**

(a) The Collateral Agent may in its absolute discretion at any time when the Security hereby constituted is enforceable pursuant to Clause 13.1:

(i) secure and perfect its title to the Secured Assets (including transferring the same into the name of the Collateral Agent or its nominee(s));

(ii) enforce all or any part of the Security created by this Deed (upon such terms and generally in such manner as the Collateral Agent thinks fit) and take possession and hold or dispose of all or any part of the Secured Assets;

(iii) without notice to the Chargor appropriate with immediate effect any of the Secured Assets and apply them (or any proceeds generated by them) in or towards the discharge of the Secured Obligations in such manner as the

Collateral Agent may think fit in its absolute discretion, whether such Secured Assets are held by the Collateral Agent or otherwise;

(iv) whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Deed) on chargees and by this Deed on any Receiver or otherwise conferred by law on chargees or Receivers; and

(v) transfer the Shares and Related Rights into the name of the Collateral Agent or such nominee(s) of the Collateral Agent as it shall require.

(b) The enforcement powers of the Collateral Agent under this Deed shall be construed in the widest possible sense and all Parties intend that the Collateral Agent shall have as wide and flexible a range of enforcement powers as may be conferred (or, if not expressly conferred, as is not restricted) by any applicable law.

1.3 **Appointment of Receiver**

(a) At any time when the Security created by or under this Deed is enforceable or if otherwise requested by the Chargor, the Collateral Agent may in writing appoint any person or persons to be a Receiver in respect of the Secured Assets or any part thereof and may remove any Receiver so appointed and appoint another. The Collateral Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A of the Insolvency Act 1986.

(b) The power of appointment of a Receiver expressly provided under this Deed shall be in addition to all statutory and other powers of appointment of the Collateral Agent under the Law of Property Act 1925 (as extended by this Deed) and such powers shall remain exercisable from time to time by the Collateral Agent in respect of all or any part of the Secured Assets.

(c) Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between the Receiver and the Collateral Agent. The Chargor shall be solely responsible for the payment of the remuneration of any Receiver appointed pursuant to this Deed.

(d) The Receiver shall, for all purposes, be the agent of the Chargor (who shall be solely liable for his acts, defaults and remuneration, unless and until the Chargor goes into bankruptcy or liquidation and thereafter he shall act as principal and shall not become the agent of the Collateral Agent or any other beneficiaries).

1.4 **Rights and Powers of Receiver**

At any time when the Security created by or under this Deed is enforceable, any Receiver appointed pursuant to Clause 13.4 (*Appointment of Receiver*) shall have the following rights and powers in relation to the Secured Assets in respect of which it is appointed:

(a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;

(b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);

(c) to secure and perfect its title to the Secured Assets (including transferring the same into the name of the Collateral Agent or its nominee(s));

(d) to take possession of and hold or sell, realise, transfer or otherwise dispose of the Secured Assets (or any of them), at any time and in any way it deems expedient, free from any restrictions and claims. The consideration for any such transaction may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and may be payable or delivered, immediately or deferred, in one amount or by instalments over such period of time as the Collateral Agent or Receiver may think fit. Neither the Collateral Agent nor any Receiver shall be liable for any loss arising out of such sale, realisation or disposal;

(e) without prejudice to any other provision of this Deed, to collect, recover or compromise and give a good discharge for any dividends, interests or other moneys accruing or payable on the Secured Assets (or any of them);

(f) without prejudice to any other provision of this Deed, to exercise all voting and other rights attached to the Shares and Related Rights (or any of them) for any purpose, whether for the winding-up of the Chargor's affairs or the realisation of all or any part of its assets or otherwise;

(g) to remove the directors of the Chargor and appoint such other persons as directors of the Chargor as the Receiver may decide;

(h) to manage and preserve the Secured Assets (or any of them) and to do (or permit the Chargor or any of its nominees to do) all such things as the Collateral Agent or such Receiver would be capable of doing if it was the absolute beneficial owner of the relevant Secured Assets;

(i) to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to the Secured Assets (or any of them);

(j) to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Chargor or the Secured Assets (or any of them);

(k) to redeem any Security (whether or not having priority to the Security created under this Deed) over the Shares and Related Rights (or any of them), to procure the transfer of that Security to itself and/or to settle the accounts of any person with an interest in the Chargor or the Secured Assets (or any of them);

(l) to raise or borrow money from or incur any other liability to any person either unsecured or on the security of any Secured Asset either in priority to the Security created under this Deed and generally on any terms and for whatever purpose;

(m) to appoint and discharge managers, officers, agents, accountants, and others for the purposes of this Deed upon such terms as to remuneration or otherwise as such Receiver sees fit;

(n) to exercise all the rights which may be exercisable by the registered holder or bearer of the Secured Assets (or any of them) and all other rights conferred on receivers and/or mortgagees by statute or common law;

(o) to do anything else such Receiver may think fit for the realisation and enforcement of the rights under this Deed or which may be incidental to the exercise of any of the rights conferred on the Collateral Agent or such Receiver under or by virtue of any Bond Document to which the Chargor is a party, and other applicable statutory provisions and applicable laws; and

(p) to spend such reasonable sums as is necessary in order to exercise any of the above rights and the Chargor shall pay to the Receiver all sums so spent.

1.5 **General**

(a) For the purposes of determining whether any statutory power has arisen or become exercisable, the Secured Obligations shall be deemed to have become due and payable on the date of this Deed.

(b) The power of sale or other disposal conferred on the Collateral Agent and on the Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

(c) The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed or to the exercise by the Collateral Agent of its right to consolidate all or any of the Security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale.

1.6 **Contingencies**

If the Collateral Agent enforces the Security constituted by or under this Deed at a time when no Secured Obligations are due to it but at a time when amounts may or will become so due, the Collateral Agent may pay the proceeds of any recoveries received by it into an interest bearing suspense account.

1.7 **No liability as mortgagee in possession**

The Collateral Agent shall not be liable to account as a mortgagee or a mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee or mortgagee in possession might otherwise be liable.

1.8 **Redemption of prior mortgages**

At any time when the Security created by or under this Deed is enforceable, the Collateral Agent may, at the sole cost of the Chargor (payable to the Collateral Agent on written demand):

(a) redeem any prior form of Security over any Secured Asset;

(b) procure the transfer of that Security to itself; and/or

(c) settle and pass the accounts of any prior mortgagee, the Collateral Agent or encumbrancer which, once so settled and passed, shall be conclusive and binding on the Chargor.

1.9 **Right of appropriation**

(a) To the extent that the Security created by this Deed constitutes a "*security financial collateral arrangement*" and the Secured Assets constitute "*financial collateral*" for the purpose of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Regulations**"), the Collateral Agent shall have the right on giving prior notice to the Chargor, at any time when the Security is enforceable, to appropriate all or any part of those Secured Assets in or towards discharge of the Secured Obligations.

(b) The Parties agree that the value of the appropriated Secured Assets shall be determined by the Collateral Agent by reference to any publicly available market price or, in the absence of which, by such other means as the Collateral Agent (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, the Chargor agrees that any such determination by the Collateral Agent will constitute a valuation in a "*commercially reasonable manner*".

14. PROTECTION OF THIRD PARTIES

1.1 A certificate of an officer or agent of the Collateral Agent to the effect that its power of sale has arisen and is exercisable shall be conclusive evidence of that fact in favour of a purchaser of all or any part of the Secured Assets. Upon receipt of such a certificate, no person (including a purchaser) dealing with the Collateral Agent or its agents has an obligation to enquire of the Collateral Agent or others:

(a) whether the Secured Obligations have become payable;

(b) whether any power purported to be exercised pursuant to the terms of this Deed or otherwise has become exercisable;

(c) whether any Secured Obligations or other monies remain outstanding;

(d) how any monies paid to the Collateral Agent shall be applied; or

(e) the status, propriety or validity of the acts of the Collateral Agent.

1.2 The receipt by the Collateral Agent shall be an absolute and conclusive discharge to a purchaser and shall relieve such purchaser of any obligation to see to the application of any monies paid to or by the direction of the Collateral Agent.

1.3 In Clauses 14.1 and 14.2, "purchaser" includes any person acquiring for money or money's worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Secured Assets or any of them.

15. SUSPENSE ACCOUNT

All monies received, recovered or realised by the Collateral Agent under this Deed (including the proceeds of any conversion of currency) may in the discretion of the Collateral Agent be credited to any suspense or impersonal account(s) maintained with any bank, building society, financial institution or other person which the Collateral Agent considers appropriate (including itself) for so long as it may think fit pending their application from time to time at the Collateral Agent's discretion, in or towards the discharge of any of the Secured Obligations and save as provided herein no party will be entitled to withdraw any amount at any time standing to the credit of any suspense or impersonal account referred to above.

16. SUBSEQUENT SECURITY

If the Collateral Agent receives notice of any subsequent Security or other interest affecting all or any of the Secured Assets it may open a new account or accounts for the Chargor in its books. If it does not do so then, unless it gives express written notice to the contrary to the Chargor, as from the time of receipt of such notice by the Collateral Agent, all payments made by the Chargor to the Collateral Agent shall not be treated as having been applied in reduction of the Secured Obligations.

17. **PAYMENTS**

1.1 **Currency of account**

US$ is the currency of account and payment for any sum due from the Chargor under this Deed.

1.2 **No set-off by the Chargor**

All payments to be made by the Chargor under this Deed shall be calculated and shall be made without (and free and clear of) any deduction, set-off or counterclaim.

18. **AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended only if the Collateral Agent and the Chargor so agree in writing.

19. **APPLICATION OF PROCEEDS**

All moneys received or recovered by the Collateral Agent or any Receiver pursuant to this Deed shall (subject to the claims of any person having prior rights thereto) be applied first in the payment of the costs, charges and expenses incurred in accordance with the Bond Documents and payments made by the Receiver or the Collateral Agent in accordance with this Deed, the payment of the Receiver's remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers in accordance with this Deed, and thereafter shall be applied by the Collateral Agent (notwithstanding any purported appropriation by the Chargor) in accordance with the terms of the Note Purchase Agreement.

20. **GROSS-UP**

If the Chargor is compelled by law to make any deduction or withholding from any sum payable under this Deed to the Collateral Agent, the sum so payable by the Chargor shall be increased so as to result in the receipt by the Collateral Agent of a net amount equal to the full amount expressed to be payable under this Deed.

21. **STAMP TAXES AND OTHER TAXES**

(a) The Chargor shall pay all present and future stamp, registration, notarial and similar taxes or charges which may be payable, or determined to be payable, in connection with the execution, delivery, performance or enforcement of this Deed, the Security contemplated in this Deed or any judgment given in connection therewith.

(b) The Chargor shall indemnify the Collateral Agent and any Receiver on demand against any and all costs, losses, claims or liabilities (including penalties) with respect to, or resulting from, its delay or omission to pay any such stamp, registration, notarial and similar taxes or charges.

22. **SET-OFF**

The Chargor authorises each Secured Party (but no Secured Party shall be obliged to exercise such right) to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by that Secured Party to the Chargor and apply any credit balance to which the Chargor is entitled on any account with that Secured Party in accordance with Clause 19 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

23. **MISCELLANEOUS**

1.1 **Certificates and determinations**

Any certification or determination by the Collateral Agent of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

1.2 **Fees and expenses**

The provisions of section 6.2 of the Agency Agreement shall apply as if set out herein in full, *mutatis mutandis*.

1.3 **Partial invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

1.4 **Remedies and waivers**

(a) No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy.

(b) The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

(c) A waiver given or consent granted by the Collateral Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

1.5 **No liability**

None of the Collateral Agent, its nominee(s) or any Receiver appointed pursuant to this Deed shall be liable by reason of:

(a) taking any action permitted by this Deed; or

(b) any neglect or default in connection with the Secured Assets; or

(c) taking possession or realisation of all or any part of the Secured Assets, except in the case of gross negligence or wilful default

upon its part.

1.6 **Assignment and Transfer**

The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed. The Collateral Agent may assign or otherwise transfer all or any of its rights and/or obligations under this Deed to any person in accordance with the terms of the Note Purchase Agreement.

1.7 **Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Collateral Agent or any Receiver may, subject to the terms and conditions of the Note Purchase Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

1.8 **Implied Covenants for Title**

(a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Charging Provisions*).

(b) It shall be implied in respect of Clause 3 (*Charging Provisions*) that the Chargor is charging the Secured Assets free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

24. **NOTICES**

1.1 **Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and (unless otherwise expressly permitted to be given by telephone or as provided in Clause 24.3(b)) mailed by certified or registered mail, delivered by hand or overnight courier service, or sent by e-mail to the addresses in Clause 24.2.

1.2 **Addresses**

(a) The address, fax number and e-mail address (and the department or officer, if any for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified as follows:

(i) if to the Chargor or the Company,

- Mynd.ai, Inc., 720 Olive Way, Suite 1500, Seattle, WA 98101
- Attention: General Counsel
- Email: Legal@Mynd.ai and Allyson.krause@mynd.ai With copy to:
- CFO, Mynd.ai, Inc.
- Email: OfficeoftheCFO@mynd.ai and Arthur.Gitterman@mynd.ai

(ii) if to the Collateral Agent, to Wilmington Savings Fund Society, FSB at 500 Delaware Avenue, Wilmington, DE 19801, Attention of Pat Healy (Email: PHealy@wsfsbank.com).

(b) Any Party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto.

1.3 **Delivery**

(a) Any communication or document mailed by certified or registered mail or sent by hand or overnight courier service in connection with this Deed shall be deemed to have been given when received.

(b) Unless the Collateral Agent specifies otherwise, any notices and other communications:

(i) sent by e-mail shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement);

(ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in Clause 24.3(b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) In the case of Clauses 24.3(b)(i) and 24.3(b)(ii) above, if such notice, email or other communication is not sent during the recipient's normal business hours, such notice, email or communication shall be deemed to have been sent at the recipient's opening of business on the next business day.

1.4 **English language**

Any notice or document provided or given under or in connection with this Deed must be in English.

25. **RELEASE OF SECURITY**

1.1 **Release**

Upon the expiry of the Security Period, the Security created under this Deed shall terminate and the Collateral Agent shall at the request and cost of the Chargor promptly execute and deliver to the Chargor such documents and instruments reasonably requested by the Chargor as shall be necessary to evidence termination of all Security given by the Chargor to the Collateral Agent hereunder subject to Clause 4.3 (*Settlements conditional*) and without recourse to, or any representation or warranty by, the Collateral Agent or any of its nominees.

1.2 **Clawback**

If the Collateral Agent considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargor under this Deed and the Security constituted by it will continue and such amount will not be considered to have been irrevocably discharged.

26. **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

27. **GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

28. **JURISDICTION**

The parties to this Deed shall submit all disputes arising under this Deed to arbitration in New York, New York before a single arbitrator of the American Arbitration Association (the "**AAA**"). The arbitrator shall be selected by application of the rules of the AAA, or by mutual agreement of the parties. No party hereto will challenge the jurisdiction or venue provisions as provided in this section. Nothing in this section shall limit a party's right to obtain an injunction for a breach of this Deed from a court of law. Any injunction obtained shall remain in full force and effect until the arbitrator fully adjudicates the dispute.

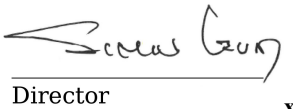
IN WITNESS WHEREOF this Deed has been executed and delivered as a deed on the date given at the beginning of this Deed.

SCHEDULE 1 SHARES

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
Elmtree Inc.	Promethean World Limited	203,200,001 ordinary shares

EXECUTION PAGE TO THE SHARE CHARGE

THE CHARGOR



E Director **xecuted and Delivered as a Deed by**)

ELMTREE INC.)

acting by:)

Signature of witness

Name: Lau Hak Kin

Address: Units 2001-05 & 11, 20/F., Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong

Occupation: Financial Controller

THE COLLATERAL AGENT

WILMINGTON SAVINGS FUND SOCIETY, FSB, as Collateral Agent

By: _____

Name: Kaye Cobbsbarsigh

Title: Vice President

[Signature Page to Share Charge]

Exhibit 4.1

Mynd.ai, Inc.
Equity Incentive Plan

Article 1. ESTABLISHMENT, PURPOSE AND DURATION

1.1 Establishment. Mynd.ai, Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands, establishes an incentive compensation plan to be known as the Mynd.ai, Inc. Equity Incentive Plan, as set forth in this document. This Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards and Other Stock-Based Awards.

1.2 Purpose of this Plan. The purpose of this Plan is to foster and promote the long-term financial success of the Company and its Affiliates and materially increase shareholder value by (a) motivating superior performance by means of performance-related incentives, (b) encouraging and providing for the acquisition of an ownership interest in the Company by Participants, and (c) enabling the Company and its Affiliates to attract and retain qualified and competent persons to provide services.

1.3 Effective Date and Duration of this Plan. This Plan shall become effective on the date on which the Board adopts this Plan (the "**Effective Date**"). Unless sooner terminated as provided herein, this Plan shall terminate on the day before the tenth anniversary of the Effective Date. After this Plan is terminated, no Awards may be granted under this Plan, but Awards previously granted will remain outstanding in accordance with their applicable terms and conditions and this Plan's terms and conditions.

Article 2. ADMINISTRATION

1.1 General. The Committee shall be responsible for administering this Plan, subject to the Amended and Restatement Memorandum and Articles of Association of the Company (the "**Articles**"), this Article 2 and the other provisions of this Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals as may reasonably be necessary to assist it in the administration of this Plan, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such individuals. No member of the Committee shall be liable for any action taken or not taken in reliance upon any such information and/or advice. All actions taken and all interpretations and determinations made by the Committee under this Plan shall be made in its sole discretion and shall be final, binding and conclusive upon the Participants, the Company, its Affiliates, and all other interested individuals.

1.2 Authority of the Committee. Subject to any express limitations set forth in this Plan, the Committee shall have full and exclusive discretionary power and authority to take such actions as it deems necessary or advisable with respect to the administration, interpretation and implementation of this Plan including, but not limited to, the following:

(a) To determine from time to time which of the persons eligible under the Plan shall be granted Awards, when and how each Award shall be granted, what type or combination of types of Awards shall be granted, the provisions of each Award granted (which need not be identical), including the time or times when a person shall be permitted to receive Shares pursuant to an Award and the number of Shares subject to an Award;

(b) To construe and interpret this Plan and Awards granted under it, and to establish, amend, and revoke rules and regulations for its administration;

(c) To approve forms of Award Agreements for use under this Plan;

(d) To determine Fair Market Value of a Share;

(e) To employ attorneys, consultants, accountants, agents and other individuals as may reasonably be necessary to assist it in the administration of this Plan, any of whom may be an Employee;

(f) To amend this Plan, an Award or any Award Agreement after the date of grant subject to the terms of this Plan;

(g) To adopt sub-plans and/or special provisions applicable to Awards regulated by the laws of a jurisdiction other than and outside of the United States. Such sub-plans and/or special provisions may take precedence over other provisions of this Plan, but unless otherwise superseded by the terms of such sub-plans and/or special provisions, the provisions of this Plan shall govern;

(h) To authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Board;

(i) To determine whether Awards will be settled in Shares, ADSs, cash or in any combination thereof;

(j) To determine whether Awards will provide for Dividend Equivalents;

(k) To establish a program whereby Participants designated by the Committee may elect to receive Awards under this Plan in lieu of compensation otherwise payable in cash;

(l) To correct any defect, omission or inconsistency in this Plan, any Award or any Award Agreement; and

(m) To impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant or other subsequent transfers by a Participant of any Shares, including, without limitation, restrictions under an insider trading policy and restrictions as to the use of a specified brokerage firm for such resales or other transfers.

1.3 Delegation. To the extent not prohibited by applicable laws, rules and regulations, the Committee may delegate to (i) one or more of its members, (ii) one or more officers of the Company or any Affiliate or (iii) one or more agents or advisors such administrative duties or powers as it may deem appropriate or advisable under such conditions and limitations as the Committee may set at the time of such delegation or thereafter. The Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan. Notwithstanding the foregoing, the Committee may not delegate its authority (i) to make Awards to Employees (A) who are Insiders or (B) who are officers of the Company who are delegated authority by the Committee hereunder, or (ii) pursuant to Article 20 of this Plan. For purposes of this Plan, reference to the Committee shall be deemed to refer to any subcommittee, subcommittees, or other persons or groups of persons to whom the Committee delegates authority pursuant to this Section 2.3.

Article 3. SHARES SUBJECT TO THIS PLAN AND MAXIMUM AWARDS

1.1 Number of Shares Authorized and Available for Awards. Subject to adjustment as provided under the Plan, the maximum number of Shares that are available for Awards under this Plan shall be 54,777,338. Notwithstanding the foregoing, the number of Shares available for Awards under this Plan shall automatically increase on January 1st of each year beginning in 2025 and ending with a final increase on January 1, 2034, by a number of Shares equal to 5% of the aggregate number of issued and outstanding Shares on a fully diluted basis on the last day of the immediately preceding fiscal year, unless the Committee should decide to increase the number of Shares available under this Plan by a lesser amount. Shares to be issued pursuant to this Plan may be authorized and unissued Shares, Shares that have been repurchased by the Company which are cancelled and thereafter form part of the authorized but unissued share capital of the Company, treasury Shares or any combination of the foregoing, as may be determined from time to time by the Board or by the Committee. Additionally, at the discretion of the Committee, any Shares issued pursuant to an Award may be represented by ADSs. If the number of Shares represented by an ADS is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the issuance of ADSs in lieu of Shares. Any of the authorized Shares may be used for any type of Award under this Plan, and any or all of the Shares may be allocated to Incentive Stock Options.

1.2 Share Usage. The number of Shares remaining available for issuance will be reduced by the number of Shares subject to outstanding Awards and, for Awards that are not denominated by Shares, by the number of Shares actually issued upon settlement or payment of the Award. For purposes of determining the number of Shares that remain available for issuance under this Plan, the number of Shares related to an Award granted under this Plan that terminates by expiration, forfeiture, cancellation or otherwise without the issuance of the Shares, or are settled through the issuance of consideration other than Shares (including cash), shall be available again for grant under this Plan. Further, Shares delivered[1] (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award or to satisfy any applicable tax withholding obligation with respect to an Award (including Shares withheld or retained by the Company from the Award) will, as applicable, become or again be available for Award grants under the Plan.

1.3 Adjustments in Authorized Shares. Adjustments in authorized Shares available for issuance under this Plan or under an outstanding Award shall be subject to the following provisions:

(a) In the event of any corporate event or transaction such as a merger, consolidation, reorganization, recapitalization, separation, reclassification, partial or complete liquidation, stock or share dividend or bonus share issuance, stock or share split, reverse stock or share split, share subdivision, split up, spin-off, distribution of stock, shares or property of the Company, combination of Shares, exchange of Shares, dividend in kind, dividend, rights offering to purchase Shares at a price that is substantially below Fair Market Value or any other similar corporate event or transaction ("**Corporate Transactions**"), the Committee, in order to preserve, but not increase, Participants' rights under this Plan, shall substitute or adjust, as applicable, (1) the number and class of Shares that may be issued under this Plan or under particular forms of Award Agreements, (2) the number and class of Shares subject to outstanding Awards (including by payment of cash to a Participant), and (3) the Option Price or Grant Price applicable to outstanding Awards and other value determinations applicable to outstanding Awards. The Committee, in its discretion, shall determine the methodology or manner of making such substitution or adjustment subject to applicable laws, rules and regulations.

(b) In addition to the adjustments permitted under paragraph 3.3(a) above, the Committee, in its sole discretion, may make such other adjustments or modifications in the terms of any Award that it deems appropriate to reflect any Corporate Transaction, including, but not limited to, modifications of performance goals and changes in the length of Performance Periods, subject to the limitations set forth in Section 13.2.

(c) The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan. Unless otherwise determined by the Committee, such adjusted Awards shall be subject to the same restrictions and vesting or settlement schedule to which the underlying Award is subject.

Article 4. ELIGIBILITY AND PARTICIPATION

1.1 Eligibility to Receive Awards. Individuals eligible to participate in this Plan include all Employees, Directors and Third-Party Service Providers.

1.2 Participation in this Plan. Subject to the provisions of this Plan, the Committee may, from time to time, select from all individuals eligible to participate in this Plan, those individuals to whom Awards shall be granted and shall determine, in its sole discretion, the nature of any and all terms permissible by law and the amount of each Award.

Article 5. STOCK OPTIONS

1.1 Grant of Options. Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion. Each grant of an Option shall be evidenced by an Award Agreement which shall specify whether the Option is in the form of a Nonqualified Stock Option or an Incentive Stock Option.

1.2 Option Price. The Option Price for each grant of an Option shall be determined by the Committee in its sole discretion and shall be specified in the Award Agreement evidencing such Option; provided, however, the Option Price must be at least equal to 100% of the Fair Market Value of a Share as of the Option's Grant Date, subject to adjustment as provided for under Section 3.3.

1.3 Term of Option. The term of an Option granted to a Participant shall be determined by the Committee, in its sole discretion; provided, however, no Option shall be exercisable later than the tenth anniversary date of its grant. If upon the expiration of the term of an Option (other than an Incentive Stock Option), a Participant is prohibited from trading in the Shares by applicable laws, rules or regulations or the Company's insider trading plan as in effect from time to time, the term of the Option shall be automatically extended to the 30th day following the expiration of such prohibition; provided, however, that this provision shall not apply if prohibited by applicable laws, rules and regulations in effect from time to time.

1.4 Exercise of Option. An Option shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Participant.

1.5 Payment of Option Price. An Option shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by

complying with any alternative procedures that may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. A condition of the issuance of the Shares as to which an Option shall be exercised shall be the payment of the Option Price. The Option Price of any exercised Option shall be payable to the Company in accordance with one of the following methods, subject to the provisions of the Company's Articles of Association:

(a) in cash or its equivalent;

(b) by the surrender of previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the Option Price;

(c) by a cashless (broker-assisted) exercise in accordance with procedures authorized by the Committee from time to time;

(d) through net share settlement or similar procedure involving the withholding of Shares subject to the Option with a value equal to the Option Price;

(e) by any combination of (a), (b), (c) and (d); or

(f) any other method approved or accepted by the Committee in its sole discretion.

Unless otherwise determined by the Committee, all payments under all of the methods indicated above shall be paid in United States dollars or Shares, as applicable.

1.6 Special Rules Regarding ISOs. The terms of any Incentive Stock Option granted under this Plan shall comply in all respects with the provisions of Code Section 422, or any successor provision thereto, as amended from time to time. Notwithstanding any provision of the Plan to the contrary, an Option granted in the form of an ISO to a Participant shall be subject to the following rules:

(a) **Special ISO definitions**:

(i) "**Parent Corporation**" shall mean as of any applicable date a corporation in respect of the Company that is a parent corporation within the meaning of Code Section 424(e).

(ii) "**ISO Subsidiary**" shall mean as of any applicable date any corporation in respect of the Company that is a subsidiary corporation within the meaning of Code Section 424(f).

(iii) A "**10% Owner**" is an individual who owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or its Parent Corporation or any ISO Subsidiary.

(b) **Eligible Employees**. An ISO may be granted solely to eligible Employees of the Company, Parent Corporation, or ISO Subsidiary.

(c) **Specified as an ISO**. An Award Agreement evidencing the grant of an ISO shall specify that such grant is intended to be an ISO.

(d) **Option Price**. The Option Price for each grant of an ISO shall be determined by the Committee in its sole discretion and shall be specified in the Award Agreement; provided, however, the Option Price must be at least equal to 100% of the Fair Market Value of a Share as of the ISO's Grant Date (in the case of 10% Owners, the Option Price may not be less than 110% of such Fair Market Value), subject to adjustment provided for under Section 3.3.

(e) **Right to Exercise**. Any ISO granted to a Participant shall be exercisable during his or her lifetime solely by such Participant.

(f) **Exercise Period**. The period during which a Participant may exercise an ISO shall not exceed ten years (five years in the case of a Participant who is a 10% Owner) from the date on which the ISO was granted.

(g) **Termination of Employment**. In the event a Participant terminates employment due to death or Disability (as defined in Code Section 22(e)(3)), the Participant (or, in the case of death, the person(s) to whom the Option is transferred by will or the laws of descent and distribution) shall have the right to exercise the Participant's ISO award during the period specified in the applicable Award Agreement solely to the extent the Participant had the right to exercise the ISO on the date of his death or Disability, as applicable, provided, however, that such period may not exceed one year from the date of such termination of employment or if shorter, the remaining term of the ISO. In the event a Participant terminates employment for reasons other than death or Disability, the Participant shall have the right to exercise the Participant's ISO during the period specified in the applicable Award Agreement solely to the extent the Participant had the right to exercise the ISO on the date of such termination of employment; provided, however, that such period may not exceed three months from the date of such termination of employment or if shorter, the remaining term of the ISO.

(h) **Dollar Limitation**. To the extent that the aggregate Fair Market Value of (i) the Shares with respect to which Options designated as Incentive Stock Options plus (ii) the shares of the Company, Parent Corporation and any ISO Subsidiary with respect to which other Incentive Stock Options are exercisable for the first time by a holder of such Incentive Stock Options during any calendar year under all plans of the Company and ISO Subsidiary exceeds $100,000, such Options shall be treated as Nonqualified Stock Options. For purposes of the preceding sentence, Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time the Option or other incentive stock option is granted.

(i) **Duration of Plan**. No ISO may be granted more than ten years after the earlier of (a) adoption of this Plan by the Board and (b) the Effective Date.

(j) **Notification of Disqualifying Disposition**. If any Participant shall make any disposition of Shares issued pursuant to the exercise of an ISO, such Participant shall notify the Company of such disposition within 30 days thereof. The Company shall use such information to determine whether a disqualifying disposition as described in Code Section 421(b) has occurred.

(k) **Transferability**. No ISO may be sold, transferred, pledged, charged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; provided, however, that at the discretion of the Committee, an ISO may be transferred to a grantor trust under which the Participant making the transfer is the sole beneficiary.

Article 6. STOCK APPRECIATION RIGHTS

1.1 Grant of SARs. SARs may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion. Each grant of SARs shall be evidenced by an Award Agreement.

1.2 Grant Price. The Grant Price for each grant of an SAR shall be determined by the Committee and shall be specified in the Award Agreement evidencing the SAR; provided, however, the Grant Price must be at least equal to 100% of the Fair Market Value of a Share as of the Grant Date, subject to adjustment as provided for under Section 3.3.

1.3 Term of SAR. The term of an SAR granted to a Participant shall be determined by the Committee, in its sole discretion; provided, however, no SAR shall be exercisable later than the tenth anniversary date of its grant.

1.4 Exercise of SAR. An SAR shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Participant.

1.5 Notice of Exercise. An SAR shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures that may be authorized by the Committee, setting forth the number of Shares with respect to which the SAR is to be exercised.

1.6 Settlement of SARs. Upon the exercise of an SAR, pursuant to a notice of exercise properly completed and submitted to the Company in accordance with Section 6.5, a Participant shall be entitled to receive payment from the Company in an amount equal to the product of (a) and (b) below:

(a) The excess of the Fair Market Value of a Share on the date of exercise over the Grant Price.

(b) The number of Shares with respect to which the SAR is exercised.

Payment shall be made in cash, Shares or a combination thereof as specified in the Award Agreement.

Article 7. RESTRICTED STOCK

1.1 Grant of Restricted Stock. Restricted Stock may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion. Each grant of Restricted Stock shall be evidenced by an Award Agreement.

1.2 Nature of Restrictions. Each grant of Restricted Stock shall be subject to a Period of Restriction that shall lapse upon the satisfaction of such conditions and restrictions as are determined by the Committee in its sole discretion and set forth in an applicable Award Agreement. Such conditions or restrictions may include, without limitation, one or more of the following:

(a) A requirement that a Participant pay a stipulated purchase price for each Share of Restricted Stock;

(b) Restrictions based upon the achievement of specific performance goals;

(c) Time-based restrictions on vesting following the attainment of the performance goals;

(d) Time-based restrictions; and/or

(e) Restrictions under applicable laws and restrictions under the requirements of any stock exchange or market on which such Shares are listed or traded.

1.3 Issuance of Shares. To the extent deemed appropriate by the Committee, the Company may retain the certificates representing Shares of Restricted Stock in the Company's possession until such time as all conditions or restrictions applicable to such Shares have been satisfied or lapse.

Article 8. RESTRICTED STOCK UNITS

1.1 Grant of Restricted Stock Units. Restricted Stock Units may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion. A grant of a Restricted Stock Unit or Restricted Stock Units shall not represent the issue of Shares but shall represent a promise to issue a corresponding number of Shares (including, for purposes of clarity, the applicable number of ADSs) or the value of each Share based upon the completion of service, performance conditions, or such other terms and conditions as specified in the applicable Award Agreement over the Period of Restriction. Each grant of Restricted Stock Units shall be evidenced by an Award Agreement.

1.2 Nature of Restrictions. Each grant of Restricted Stock Units shall be subject to a Period of Restriction that shall lapse upon the satisfaction of such conditions and restrictions as are determined by the Committee in its sole discretion and set forth in an applicable Award Agreement. Such conditions or restrictions may include, without limitation, one or more of the following:

(a) A requirement that a Participant pay a stipulated purchase price for each Restricted Stock Unit;

(b) Restrictions based upon the achievement of specific performance goals;

(c) Time-based restrictions on vesting following the attainment of the performance goals;

(d) Time-based restrictions; and/or

(e) Restrictions under applicable laws or under the requirements of any stock exchange on which Shares are listed or traded.

1.3 Settlement and Payment of Restricted Stock Units. Unless otherwise provided for in the Award Agreement, Restricted Stock Units shall be settled upon the date such Restricted Stock Units vest. Such settlement may be made in Shares, ADSs, cash or a combination thereof, as specified in the Award Agreement.

Article 9. PERFORMANCE SHARES

1.1 Grant of Performance Shares. Performance Shares may be granted to Participants in such number, and upon such terms and at any time and from time to time as shall be determined by the Committee, in its sole discretion. Each grant of Performance Shares shall be evidenced by an Award Agreement.

1.2 Value of Performance Shares. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the Grant Date. The Committee shall set performance goals in its discretion that, depending on the extent to which they are met over the specified Performance Period, shall determine the number of Performance Shares that shall be paid to a Participant.

1.3 Earning of Performance Shares. After the applicable Performance Period has ended, the number of Performance Shares earned by the Participant over the Performance Period shall be determined as a function of the extent to which the applicable corresponding performance goals have been achieved. This determination shall be made solely by the Committee.

1.4 Form and Timing of Payment of Performance Shares. The Committee shall pay at the close of the applicable Performance Period, or as soon as practicable thereafter, any earned Performance Shares in the form of cash or in Shares or in a combination thereof, as specified in a Participant's applicable Award Agreement. Any Shares paid to a Participant under this Section 9.4 may be subject to any restrictions deemed appropriate by the Committee.

Article 10. PERFORMANCE UNITS

1.1 Grant of Performance Units. Subject to the terms and provisions of this Plan, Performance Units may be granted to a Participant in such number, and upon such terms and at any time and from time to time as shall be determined by the Committee, in its sole discretion. Each grant of Performance Units shall be evidenced by an Award Agreement.

1.2 Value of Performance Units. Each Performance Unit shall have an initial notional value equal to a dollar amount determined by the Committee, in its sole discretion. The Committee shall set performance goals in its discretion that, depending on the extent to which they are met over the specified Performance Period, will determine the number of Performance Units that shall be settled and paid to the Participant.

1.3 Earning of Performance Units. After the applicable Performance Period has ended, the number of Performance Units earned by the Participant over the Performance Period shall be determined as a function of the extent to which the applicable corresponding performance goals have been achieved. This determination shall be made solely by the Committee.

1.4 Form and Timing of Payment of Performance Units. The Committee shall pay at the close of the applicable Performance Period, or as soon as practicable thereafter, any earned Performance Units in the form of cash or in Shares or in a combination thereof, as specified in a Participant's applicable Award Agreement. Any Shares paid to a Participant under this Section 10.4 may be subject to any restrictions deemed appropriate by the Committee.

Article 11. OTHER STOCK-BASED AWARDS AND CASH-BASED AWARDS

1.1 Grant of Other Stock-Based Awards and Cash-Based Awards

(a) The Committee may grant Other Stock-Based Awards not otherwise described by the terms of this Plan, including, but not limited to, the grant or offer for sale of unrestricted Shares and the grant of deferred Shares or deferred Share units, in such amounts and subject to such terms and conditions, as the Committee shall determine, in its sole discretion. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares.

(b) The Committee, at any time and from time to time, may grant Cash-Based Awards to a Participant in such amounts and upon such terms as the Committee shall determine, in its sole discretion.

1.2 Value of Other Stock-Based Awards and Cash-Based Awards.

(a) Each Other Stock-Based Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee, in its sole discretion.

(b) Each Cash-Based Award shall specify a payment amount or payment range as determined by the Committee, in its sole discretion. If the Committee exercises its discretion to establish performance goals, the value of Cash-Based Awards paid to the Participant will depend on the extent to which such performance goals are met.

1.3 Payment of Other Stock-Based Awards and Cash-Based Awards. Payment, if any, with respect to Cash-Based Awards and Other Stock-Based Awards shall be made in accordance with the terms of the applicable Award Agreement, in cash, Shares or a combination of both as determined by the Committee in its sole discretion.

Article 12. TRANSFERABILITY OF AWARDS AND SHARES

1.1 Transferability of Awards. Except as provided in Section 12.2, during a Participant's lifetime, Options and SARs shall be exercisable only by the Participant. Awards shall not be transferable other than by will or the laws of descent and distribution or pursuant to a domestic relations order entered into by a court of competent jurisdiction. No Awards shall be subject, in whole or in part, to attachment, execution or levy of any kind. Any purported transfer in violation of this Section 12.1 shall be null and void.

1.2 Committee Action. Notwithstanding Section 12.1, the Committee may, subject to applicable laws, rules and regulations and such terms and conditions as it shall specify, determine that any or all Awards shall be transferable, for no consideration to a Permitted Transferee. Any Award transferred to a Permitted Transferee shall be further transferable only by last will and testament or the laws of descent and distribution or, for no consideration, to another Permitted Transferee of the Participant. "**Permitted Transferees**" include (i) a Participant's family member, (ii) one or more trusts established in whole or in part for the benefit of one or more of such family members, (iii) one or more entities which are beneficially owned in whole or in part by one or more such family members, or (iv) a charitable or not-for-profit organization.

1.3 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares or ADSs acquired by a Participant under this Plan as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares or ADSs are then listed or traded or under any blue sky or state or non-U.S. securities or other laws applicable to such Shares or ADSs.

Article 13. PERFORMANCE MEASURES

1.1 Performance Measures. Any Award to a Participant may be subject to performance goals as determined at the discretion of the Committee, which may include, but are not limited to, any of the following: (i) book value or earnings per Share; (ii) cash flow, free cash flow or operating cash flow; (iii) earnings before or after any of, or any combination of, interest, taxes, depreciation, or amortization; (iv) expenses/costs; (v) gross, net or pre-tax income (aggregate or on a per-share basis); (vi) net income as a percentage of sales; (vii) gross or net operating margins or income, including operating income; (viii) gross or net sales or revenues; (ix) gross profit or gross margin; (x) improvements in capital structure, cost of capital or debt reduction; (xi) market share or market share penetration; (xii) growth in managed assets; (xiii) reduction of losses, loss ratios and expense ratios; (xiv) asset turns, inventory turns or fixed asset turns; (xv) operational performance measures; (xvi) profitability ratios (pre or post tax); (xvii) profitability of an identifiable business unit or product; (xviii) return measures (including return on assets, return on equity, return on investment, return on capital, return on invested capital, gross profit return on investment, gross margin return on investment, economic value added or similar metric); (xix) share price (including growth or appreciation in share price and total shareholder return); (xx) strategic business objectives (including objective project milestones); (xxi) transactions relating to acquisitions or divestitures; or (xxii) working capital. Any Performance Measure(s) may, as the Committee in its sole discretion deems appropriate, (i) relate to the performance of the Company or any Affiliate as a whole or any business unit or division of the Company or any Affiliate or any combination thereof, (ii) be compared to the performance of a group of comparator companies, or published or special index, (iii) be based on change in the Performance Measure over a specified period of time and such change may be measured based on an arithmetic change over the specified period (e.g., cumulative change or average change), or percentage change over the specified period (e.g., cumulative percentage change, average percentage change or compounded percentage change), (iv) relate to or be compared to one or more other Performance Measures, or (v) any combination of the foregoing. The Committee also has the authority to provide

for accelerated vesting of any Award based on the achievement of performance goals pursuant to any Performance Measures.

1.2 Evaluation of Performance. The Performance Measures shall, to the extent possible, be determined in accordance with generally accepted accounting principles consistently applied on a business unit, divisional, subsidiary or consolidated basis or any combination thereof. The Committee may provide in any Award that any evaluation of performance may include or exclude the impact, if any, on reported financial results of any events that occur during a Performance Period including, but not limited to: (a) asset write-downs, (b) litigation or claim judgments or settlements, (c) changes in tax laws, accounting principles or other laws or provisions, (d) reorganization or restructuring programs, (e) acquisitions or divestitures, (f) foreign exchange gains and losses and (g) gains and losses that are treated as unusual or infrequently occurring items within the meaning of the accounting standards of the Financial Accounting Standard Board or such comparable successor term.

1.3 Adjustment of Awards. The Committee shall retain the discretion to adjust any Awards, either on a formula or discretionary basis or any combination, as the Committee determines, in its sole discretion.

Article 14. TERMINATION OF EMPLOYMENT; TERMINATION OF DIRECTORSHIP AND TERMINATION AS A THIRD-PARTY SERVICE PROVIDER

The Committee shall specify at or after the time of grant of an Award the provisions governing the terms of an Award in the event of a Participant's Termination of Employment or Termination of Directorship. Subject to applicable laws, rules and regulations, in connection with a Participant's termination, the Committee shall have the discretion to accelerate the vesting, exercisability or settlement of, eliminate the restrictions and conditions applicable to, or extend the post-termination exercise period of an outstanding Award. Such provisions shall be determined by the Committee in its sole discretion and may be specified in the applicable Award Agreement or determined at a subsequent time. The Committee's decisions need not be uniform among all Award Agreements and Participants and may reflect distinctions based on the reasons for termination. In addition, the Committee shall determine, in its sole discretion, the circumstances constituting a termination as a Third-Party Service Provider and shall set forth those circumstances in each Award Agreement entered into with each Third-Party Service Provider.

Article 15. NON-EMPLOYEE DIRECTOR AWARDS

1.1 Awards to Non-Employee Directors. The Board or Committee shall determine and approve all Awards to Non-Employee Directors. The terms and conditions of any grant of any Award to a Non-Employee Director shall be set forth in an Award Agreement.

1.2 Awards in Lieu of Fees. The Board or Committee may permit a Non-Employee Director the opportunity to receive an Award in lieu of payment of all or a portion of future director fees (including but not limited to cash retainer fees and meeting fees) or other type of Awards pursuant to such terms and conditions as the Board or Committee may prescribe and set forth in an applicable sub-plan or Award Agreement.

Article 16. EFFECT OF A CHANGE IN CONTROL

Unless provided otherwise in an Award Agreement or by the Committee prior to the date of the Change in Control, in the event of a Change in Control the Committee may, but shall not be obligated to:

(a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of any Award;

(b) cancel any Awards for a cash payment or delivery of other property equal to Fair Market Value (as determined in the sole discretion of the Committee);

(c) provide for the issuance of substitute Awards that shall substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion;

(d) provide that for a period of at least 15 days prior to the Change in Control, Options or SARs shall be exercisable as to all Shares subject thereto and that upon the occurrence of the Change in Control, such Options or SARs shall terminate and be of no further force and effect; or

(e) provide for the automatic acceleration and vesting with respect to all or any portion of any Award held by a Participant who is involuntarily terminated on or within a specified period following the applicable Change in Control.

If the value of an Award is based on the Fair Market Value of a Share, Fair Market Value shall be deemed to mean the per share Change in Control price. The Committee shall determine the per-share Change in Control price paid or deemed paid in the Change in Control transaction.

Article 17. DIVIDENDS AND DIVIDEND EQUIVALENTS

The Committee may provide Participants with the right to receive dividends or payments equivalent to dividends ("**Dividend Equivalents**") or interest with respect to an outstanding Award, which payments can either be paid in cash, either on a current or deferred basis, or deemed to have been reinvested in Shares, or a combination thereof, as the Committee shall determine, in each case, subject to all applicable laws, rules and regulations, including, without limitation, Code Section 409A and the Articles of Association of the Company.

Article 18. BENEFICIARY DESIGNATION

Each Participant under this Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Plan is to be paid in case of his/her death before he/she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such beneficiary designation, benefits remaining unpaid or rights remaining unexercised at the Participant's death shall be paid to or exercised by the Participant's executor, administrator or legal representative.

Article 19. RIGHTS OF PARTICIPANTS

1.1 Employment. Nothing in this Plan or an Award Agreement shall (a) interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment with the Company or any Affiliate at any time or for any reason not prohibited by law or (b) confer upon any Participant any right to continue his/her employment or service as a Director or Third-Party Service Provider for any specified period of time. Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company or any Affiliate and, accordingly, subject to Article 2 and Article 20, this Plan and the benefits hereunder may be amended or terminated at any time in the sole and exclusive discretion of the Board without giving rise to any liability on the part of the Company, any Affiliate, the Committee or the Board.

1.2 Participation. No individual shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award. The Committee may grant more than one Award to a Participant and may designate an individual as a Participant for overlapping periods of time.

1.3 Rights as a Shareholder. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date on which the Participant becomes the record holder of the Shares.

Article 20. AMENDMENT AND TERMINATION

1.1 Amendment and Termination of this Plan and Awards. Subject to applicable laws, rules and regulations and Section 20.3 of this Plan, the Board may at any time amend or terminate this Plan or amend or terminate any outstanding Award. Notwithstanding the foregoing, no amendment of this Plan shall be made without shareholder approval if shareholder approval is required pursuant to rules promulgated by any stock exchange or quotation system on which Shares are listed or quoted or by applicable U.S. state corporate laws or regulations, applicable U.S. federal laws or regulations and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under this Plan.

1.2 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. Subject to Section 13.2, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 3.3) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be

made available under this Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan. By accepting an Award under this Plan, a Participant agrees to any adjustment to the Award made pursuant to this Section 20.2 without further consideration or action.

1.3 Awards Previously Granted. Notwithstanding any other provision of this Plan to the contrary, other than Sections 20.2, 20.4 and 22.15, no termination or amendment of this Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under this Plan, without the written consent of the Participant holding such Award.

1.4 Amendment to Conform to Law. Notwithstanding any other provision of this Plan to the contrary, the Committee shall have the broad authority to amend this Plan, an Award or an Award Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable in order to comply with, take into account changes in, or interpretations of, applicable tax laws, securities laws, employment laws, accounting rules and other applicable laws, rules, rulings and regulations promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 20.4 to this Plan, an Award or an Award Agreement without further consideration or action.

Article 21. TAX WITHHOLDING

1.1 Tax Withholding. The Company (or applicable employer) may require any individual entitled to receive a payment of an Award to remit to the Company (or applicable employer) prior to payment, an amount sufficient to satisfy any applicable federal, state, local and foreign tax withholding requirements. The Company (or applicable employer) shall also have the right to deduct from all cash payments made to a Participant (whether or not such payment is made in connection with an Award) any applicable taxes required to be withheld with respect to such Award.

1.2 Share Withholding. With respect to withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock, upon the settlement of Restricted Stock Units, or upon the achievement of performance goals related to Performance Shares, or any other taxable event arising as a result of an Award granted hereunder (collectively and individually referred to as a "**Share Payment**"), the Committee may permit or require a Participant to satisfy the withholding requirement, in whole or in part, by having the Company withhold or retain Shares from a Share Payment (or repurchase Shares that were previously issued) having a Fair Market Value on the date the withholding is to be determined equal to the maximum individual statutory tax rate in the applicable jurisdiction at the time of such withholding (or such other rate as may be required to avoid the liability classification of the applicable Award under generally accepted accounting principles in the U.S.), as determined by the Company in its sole discretion. If any tax withholding obligation will be satisfied by the Company's withholding or retention of Shares from the Award creating the tax obligation and there is a public market for Shares at the time the tax obligation is satisfied, subject to any Company insider trading policy (including blackout periods), the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on the applicable Participant's behalf some or all of the Shares retained and to remit the proceeds of the sale to the Company or its designee, and each Participant's acceptance of an Award under the Plan will constitute the Participant's authorization to the Company and instruction and authorization to such brokerage firm to complete the transactions described in this sentence. Further, if there is a public market for Shares at the time the tax obligation is satisfied and subject to any Company insider trading policy (including blackout periods), Participants may satisfy such tax obligations by (A) delivery (including electronically or telephonically to the extent permitted by the Company) of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to satisfy the tax obligations, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to satisfy the tax withholding; provided that such amount is paid to the Company at such time as may be required by the Committee.

Article 22. GENERAL PROVISIONS

1.1 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events as determined by the Committee in its sole discretion.

1.2 Legend. All certificates for Shares delivered under this Plan shall be subject to such stock-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the U.S. Securities and Exchange Commission, any exchange upon which the Shares are then listed, and any applicable securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

1.3 Data Privacy. As a condition for receiving any Award, each Participant explicitly and unambiguously consents to the collection, use, storage and transfer, in electronic or other form, of personal data as described in this section by and among the Employer, the Company and its Affiliates for their legitimate interests in administrating Participant's benefits, including for implementing, administering and managing the Award or Participant's participation in the Plan (the "**Collection Purpose**"). The Company and its Affiliates may hold certain personal information about a Participant or a Participant's designated beneficiary, including the Participant's or designated beneficiary's name, address and telephone number; birthdate; social security, insurance number or other identification number; salary; nationality; job title(s); any Shares held in the Company or its affiliates; and Award details, such as details of stock options or other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant or designated beneficiary's favor (collectively, the "**Data**"), to fulfill the Collection Purpose. The Company and its Affiliates may transfer the Data amongst themselves as reasonably necessary to fulfill the Collection Purpose, and the Company and its Affiliates may transfer the Data to third parties, including Merrill Lynch-Bank of America or other such stock plan service providers, or stock transfer agents, assisting the Company with the Collection Purpose ("**Data Recipients**"). Such Data Recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. To the extent that such Data Recipients are located in countries outside of the European Economic Areas that have not been recognized by the European Commission as providing adequate level of data protection, the Company has put in place appropriate safeguards aimed at ensuring that such a level of data protection are in place as required by applicable law, including by entering in the European Commission's EU Standard Contractual Clauses with the Data Recipients pursuant to Article 46 §2 of the EU General Data Protection Regulation 2016/679 of April 27, 2016. Participants may request a list of names and addresses of any potential Data Recipients by contacting the Participant's human resource business partner. By accepting an Award, each Participant authorizes such Data Recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, to fulfill the Collection Purpose, including any required Data transfer to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as long as reasonably necessary to fulfill the Collection Purpose or as required to comply with legal or regulatory obligations. A Participant may, at any time, view the Data that the Company holds regarding such Participant, request additional information about the storage and processing of the Data regarding such Participant, recommend any necessary corrections to the Data regarding the Participant or refuse or withdraw the consents in this Section 22.3 in writing, without cost, by contacting the local human resources representative. If the Participant refuses or withdraws the consents in this Section 22.3, the Company may cancel Participant's ability to participate in the Plan and, in the Committee's discretion, the Participant may forfeit any outstanding Awards. For more information on the consequences of refusing or withdrawing consent, Participants may contact their local human resources representative.

The data controller for the processing of Data described in this agreement is the Employer and the Company. A list of relevant data controls across the European Economic Area is set out in the "EEA Employee and Consulting Data Privacy Notice" which is maintained on Spark.

1.4 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

1.5 Severability. In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

1.6 Requirements of Law. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

1.7 Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

(a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

(b) Completion of any registration or other qualification of the Shares under any applicable national, state or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

1.8 Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the

lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

1.9 Investment Representations. The Committee may require any individual receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the individual is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

1.10 Employees Based Outside of the United States. Notwithstanding any provision of this Plan to the contrary, in order to comply with the laws in countries other than the United States in which the Company or any Affiliates operate or have Employees, Directors or Third-Party Service Providers, the Committee, in its sole discretion, shall have the power and authority to:

(a) Determine which Affiliates shall be covered by this Plan;

(b) Determine which Employees, Directors or Third-Party Service Providers outside the United States are eligible to participate in this Plan;

(c) Modify the terms and conditions of any Award granted to Employees, Directors or Third-Party Service Providers outside the United States to comply with applicable laws;

(d) Establish sub-plans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; and

(e) Take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local government regulatory exemptions or approvals.

Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate applicable law.

1.11 Uncertificated Shares. To the extent that this Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be affected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange.

1.12 Unfunded Plan. Participants shall have no right, title or interest whatsoever in or to any investments that the Company or any Affiliates may make to aid it in meeting its obligations under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative or any other individual. To the extent that any individual acquires a right to receive payments from the Company or any Affiliate under this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company or any Affiliate, as the case may be. All payments to be made hereunder shall be paid from the general funds of the Company, or any Affiliate, as the case may be, and no special or separate fund shall be established, and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in this Plan.

1.13 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award. The Committee shall determine whether cash, Awards or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated. For purposes of clarity, a Share represented by an ADS on other than on a one-to-one basis is not a fractional Share.

1.14 Retirement and Welfare Plans. Neither Awards made under this Plan nor Shares or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under the Company's or any Affiliate's retirement plans (both qualified and nonqualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

1.15 Deferrals.

(a) Notwithstanding any contrary provision in this Plan or an Award Agreement, if any provision of this Plan or an Award Agreement contravenes any regulations or guidance promulgated under Code Section 409A or would cause an Award to be subject to additional taxes, accelerated taxation, interest and/or penalties under Code Section 409A, such provision of this Plan or Award Agreement may be modified by the Committee without consent of the Participant in any manner the Committee deems reasonable or necessary. In

making such modifications the Committee shall attempt, but shall not be obligated, to maintain, to the maximum extent practicable, the original intent of the applicable provision without contravening the provisions of Code Section 409A. Moreover, any discretionary authority that the Committee may have pursuant to this Plan shall not be applicable to an Award that is subject to Code Section 409A to the extent such discretionary authority would contravene Code Section 409A or the guidance promulgated thereunder.

(b) If a Participant is a "specified employee" as defined under Code Section 409A and the Participant's Award is to be settled on account of the Participant's separation from service (for reasons other than death) and such Award constitutes "deferred compensation" as defined under Code Section 409A, then any portion of the Participant's Award that would otherwise be settled during the six-month period commencing on the Participant's separation from service shall be settled as soon as practicable following the conclusion of the six-month period (or following the Participant's death if it occurs during such six-month period).

(c) In accordance with the procedures authorized by, and subject to the approval of, the Committee, Participants may be given the opportunity to defer the payment or settlement of an Award to one or more dates selected by the Participant; provided, however, that the terms of any deferrals must comply with all applicable laws, rules and regulations, including, without limitation, Code Section 409A. No deferral opportunity shall exist with respect to an Award unless explicitly permitted by the Committee on or after the time of grant.

1.16 Nonexclusivity of this Plan. The adoption of this Plan shall not be construed as creating any limitations on the power of the Board or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

1.17 No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (i) limit, impair, or otherwise affect the Company's or a Affiliate's right or power to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) limit the right or power of the Company or any Affiliate to take any action that such entity deems to be necessary or appropriate. The proceeds received by the Company from the sale of Shares pursuant to Awards will be used for general corporate purposes.

1.18 Conflicts. In the event of any conflict or inconsistency between the Plan and any Award Agreement, this Plan shall govern and the Award Agreement shall be interpreted to minimize or eliminate any such inconsistency.

1.19 Recoupment. Notwithstanding anything in this Plan to the contrary, all Awards granted under this Plan and any payments made under this Plan shall be subject to claw-back or recoupment as permitted or mandated by applicable law, rules, regulations or Company policy as enacted, adopted or modified from time to time. For the avoidance of doubt, this provision shall apply to any gains realized upon exercise or settlement of an Award.

1.20 Delivery and Execution of Electronic Documents. To the extent permitted by applicable law, the Company may (i) deliver by email or other electronic means (including posting on a website maintained by the Company or by a third party under contract with the Company) all documents relating to this Plan or any Award thereunder (including without limitation, prospectuses and other securities requirements) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements) and (ii) permit Participants to electronically execute applicable Plan documents (including, but not limited to, Award Agreements) in a manner prescribed to the Committee.

1.21 No Representations or Warranties Regarding Tax Effect. Notwithstanding any provision of this Plan to the contrary, the Company, Affiliates, the Board and the Committee neither represent nor warrant the tax treatment under any federal, state, local or foreign laws and regulations thereunder (individually and collectively referred to as the "**Tax Laws**") of any Award granted or any amounts paid to any Participant under this Plan including, but not limited to, when and to what extent such Awards or amounts may be subject to tax, penalties and interest under the Tax Laws.

1.22 Indemnification. Subject to applicable laws, rules and regulations and the Articles as it may be amended from time to time, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the Company to whom authority was delegated in accordance with Article 2, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which he or she may be involved by reason of any good faith action taken or failure to act under this Plan, (ii) any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit,

or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his/her own behalf. Notwithstanding the foregoing, no individual shall be entitled to indemnification if such loss, cost, liability or expense is a result of his/her own actual fraud or willful misconduct. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individuals may be entitled under the Articles as a matter of law or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

1.23 **Successors**. Subject to Article 16, all obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company (each, a "**Successor**"), whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

1.24 **Governing Law**. The Plan and each Award Agreement shall be governed by the laws of Delaware.

Article 23. DEFINITIONS

Whenever used in this Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized.

23.1 "**ADSs**" means American Depositary Shares, representing Shares on deposit with a U.S. banking institution selected by the Company and which are registered pursuant to a Form F-6.

23.2 "**Affiliate**" means any Subsidiary and any person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

23.3 "**Award**" means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards or Other Stock-Based Awards, in each case subject to the terms of this Plan.

23.4 "**Award Agreement**" means either (i) a written or electronic agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under this Plan, including any amendment or modification thereof, or (ii) a written or electronic statement issued by the Company to a Participant describing the terms and provisions of such Award, including any amendment or modification thereof. The Committee may provide for the use of electronic, Internet or other non-paper Award Agreements, and the use of electronic, Internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant. The Committee shall have the exclusive authority to determine the terms of an Award Agreement evidencing an Award granted under this Plan, subject to the provisions herein. The terms of an Award Agreement need not be uniform among all Participants or among similar types of Awards.

23.5 "**Beneficial Owner**" shall have the meaning ascribed to such term in Rule 13d-3 under the Exchange Act.

23.6 "**Board**" means the Board of Directors of the Company.

23.7 "**Cash-Based Award**" means an Award, denominated in cash, granted to a Participant as described in Article 11.

23.8 "**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the regulations and guidance promulgated thereunder.

23.9 "**Committee**" means the Compensation Committee of the Board or a subcommittee thereof or any other committee designated by the Board to administer this Plan. The members of the Committee shall be appointed from time to time by and shall serve at the discretion of the Board. If the Committee does not exist or cannot function for any reason, the Board may take any action under this Plan that would otherwise be the responsibility of the Committee in which case references to the "Committee" shall be deemed references to the Board.

23.10 "**Change in Control**" means any one of the following:

(a) any person or entity, including a "group" as defined in Section 13(d)(3) of the Exchange Act, other than the Company or an Affiliate of the Company or any employee benefit plan of the Company or any of

its Affiliates, and other than Netdragon Websoft Holdings Limited or any of its Affiliates, becomes the Beneficial Owner of the shares in the capital of the Company's having more than 40% of the combined voting power of the then outstanding and issued shares in the capital of the Company that may be cast for the appointment of Directors of the Company;

(b) as the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, or any combination of the foregoing transactions, less than a majority of the combined voting power of the then issued and outstanding shares in the capital of the Company or any successor corporation or entity entitled to vote generally in the appointment of the Directors of the Company or such other corporation or entity after such transaction are held in the aggregate by the holders of the Company's securities entitled to vote generally in the appointment of Directors of the Company immediately prior to such transaction;

(c) the following individuals cease for any reason to constitute a majority of Directors of the Board then serving: individuals who, as of the Effective Date, constitute the Board and any new Director (other than a Director whose initial assumption of office is in connection with an actual or threatened appointment contest, including, but not limited to, a consent solicitation, relating to the appointment of Directors of the Company) whose appointment or election by the Board or nomination for appointment by the Company's stockholders was approved or recommended by a vote of at least a majority of the Directors then still in office who either were Directors as of the Effective Date or whose appointment, election or nomination for election or appointment was previously so approved or recommended; or

(d) the stockholders of the Company approve the voluntary liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets, other than a liquidation of the Company into a wholly owned subsidiary.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or portion of any Award) that provides for the deferral of compensation that is subject to Code Section 409A, to the extent required to avoid the imposition of additional taxes under Code Section 409A, the transaction or event described in subsection (a), (b), (c) or (d) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5).

23.11 "**Collection Purpose**" has the meaning set forth in Section 22.3 of this Plan.

23.12 "**Company**" means Mynd.ai, Inc., an exempted company incorporated with limited liability under the laws of the Cayman Islands, and any successor thereto as provided in Section 22.23.

23.13 "**Data**" has the meaning set forth in Section 22.3 of this Plan.

23.14 "**Director**" means any individual who is a member of the Board.

23.15 "**Disability**" means the determination by a physician designated by or otherwise approved by the Company of either of the following: (a) an Employee's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (b) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, an Employee's receipt of income replacement benefits for a period of not less than 3 months under an accident and health plan covering Employees.

23.16 "**Dividend Equivalent**" has the meaning set forth in Article 17.

23.17 "**Effective Date**" has the meaning set forth in Section 1.3.

23.18 "**Employee**" means any individual performing services for the Company or an Affiliate and designated as an employee of the Company or an Affiliate on the payroll records of the applicable entity. An Employee shall not include any individual during any period he or she is classified or treated by the Company or Affiliate as an independent contractor, a consultant or an employee of an employment, consulting or temporary agency or any other entity other than the Company or Affiliate, without regard to whether such individual is subsequently determined to have been, or is subsequently retroactively reclassified, as an employee of the Company or Affiliate during such period. An individual shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company and any Affiliate. For purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment

upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three months following the 91st day of such leave, any Incentive Stock Option held by a Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonqualified Stock Option. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

23.19 "**Employer**" means, the Company or its Affiliate, as applicable, that employs the applicable Participant (or, in the case of a Participant who is a Third-Party Service Provider, that receives services from such Third-Party Service Provider).

23.20 "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended from time to time, and the regulations and guidance promulgated thereunder.

23.21 "**Fair Market Value**" means, with respect to a Share, the fair market value thereof as of the relevant date of determination, as determined in accordance with the valuation methodology approved by the Committee (based on objective criteria) from time to time. In the absence of any alternative valuation methodology approved by the Committee, Fair Market Value shall be deemed to be equal to the closing selling price of a Share on the trading day immediately preceding the date on which such valuation is made on the New York Stock Exchange, or such other established national securities exchange as may be designated by the Committee. The definition of Fair Market Value may differ depending on whether Fair Market Value is in reference to the grant, exercise, vesting, settlement or payout of an Award.

23.22 "**Grant Date**" means the date an Award is granted to a Participant pursuant to this Plan.

23.23 "**Grant Price**" means the price established at the time of grant of an SAR pursuant to Article 6.

23.24 "**Incentive Stock Option**" or "**ISO**" means an Award granted pursuant to Article 5 that is designated as an Incentive Stock Option and that is intended to meet the requirements of Code Section 422 or any successor provision.

23.25 "**Insider**" shall mean an individual who is, on the relevant date, an officer (as defined in Rule 16a-1(f) of the Exchange Act (or any successor provision)) or Director of the Company, or a more than 10% Beneficial Owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board in accordance with Section 16 of the Exchange Act.

23.26 "**Non-Employee Director**" means a Director who is not an Employee.

23.27 "**Nonqualified Stock Option**" means an Award granted pursuant to Article 5 that is not intended to meet the requirements of Code Section 422, or that otherwise does not meet such requirements.

23.28 "**Option**" means an Award granted to a Participant pursuant to Article 5, which Award may be an Incentive Stock Option or a Nonqualified Stock Option.

23.29 "**Option Price**" means the price at which a Share may be purchased by a Participant pursuant to an Option.

23.30 "**Other Stock-Based Award**" means an equity-based or equity-related Award not otherwise described by the terms of this Plan that is granted pursuant to Article 11.

23.31 "**Participant**" means any eligible individual as set forth in Article 4 to whom an Award is granted.

23.32 "**Performance Measures**" means measures, as described in Article 13, upon which performance goals are based.

23.33 "**Performance Period**" means the period of time during which performance goals must be met in order to determine the degree of payout and/or vesting with respect to an Award.

23.34 "**Performance Share**" means an Award granted pursuant to Article 9.

23.35 "**Performance Unit**" means an Award granted pursuant to Article 10.

23.36 "**Period of Restriction**" means the period when an Award is subject to a substantial risk of forfeiture (based on the passage of time, the achievement of performance goals or upon the occurrence of other events as determined by the Committee, in its discretion).

23.37 "**Person**" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

23.38 "**Plan**" means this Mynd.ai, Inc. Equity Incentive Plan, as may be amended from time to time.

23.39 "**Restricted Stock**" means an Award granted pursuant to Article 7.

23.40 "**Restricted Stock Unit**" means an Award granted pursuant to Article 8.

23.41 "**Retirement**" shall have the meaning set forth in the applicable Award Agreement or such other definition as the Committee may determine from time to time.

23.42 "**Share**" means an ordinary share of the Company, or the applicable number of ADSs corresponding to an ordinary share of the Company.

23.43 "**Stock Appreciation Right**" or "**SAR**" means an Award granted pursuant to Article 6.

23.44 "**Subsidiary**" means (i) a corporation or other entity with respect to which the Company, directly or indirectly, has the power, whether through the ownership of voting securities, by contract or otherwise, to elect at least a majority of the members of such corporation's or other entity's board of directors or analogous governing body, or (ii) any other corporation or entity in which the Company, directly or indirectly, has an equity or similar interest and which the Committee designates as a Subsidiary for purposes of this Plan.

23.45 "**Successor**" has the meaning set forth in Section 22.23.

23.46 "**Termination of Employment**" means the termination of the Participant's employment with the Company and its Affiliates, regardless of the reason for the termination of employment.

23.47 "**Termination of Directorship**" means the time when a Non-Employee Director ceases to be a Non-Employee Director for any reason, including, but not by way of limitation, a termination by resignation, failure to be elected or death.

23.48 "**Third-Party Service Provider**" means any consultant, agent, advisor or independent contractor who renders bona fide services to the Company or an Affiliate that (a) are not in connection with the offer and sale of the Company's securities in a capital raising transaction, (b) do not directly or indirectly promote or maintain a market for the Company's securities, and (c) are provided by a natural person who has contracted directly with the Company or an Affiliate to render such services.

23.49 Interpretation. In this Plan:

(a) any forfeiture of Shares described herein will take effect as a surrender of shares for no consideration of such Shares as a matter of Cayman Islands law;
(b) any share dividends described herein will take effect as share capitalizations as a matter of Cayman Islands law;
(c) any share splits described herein will take effect as share sub-divisions as a
matter of Cayman Islands law;
(d) the allotment and issuance of Shares pursuant to the terms of this Plan following the exercise of an Option or Award shall be subject to the Amended and Restated Memorandum and Articles of Association of the Company; and
(e) as a matter of Cayman Islands law, Shares shall not in fact be legally issued, transferred, redeemed, repurchased or forfeited until the time at which the appropriate entries are made in Register of Members of the Company (the Register of Members being prima facie evidence of legal title to shares).

Exhibit 4.2

mynd.ai

INDEMNIFICATION AGREEMENT

ADOPTED: DECEMBER 13, 2023

This Indemnification Agreement (this "Agreement") is made as of December 13, 2013, by and between Mynd.ai, Inc., a Cayman Islands exempted company (the "Company"), and _____ ("Indemnitee").

RECITALS

The Company and Indemnitee recognize the increasing difficulty in obtaining liability insurance for directors, officers and key employees, the significant increases in the cost of such insurance and the general reductions in the coverage of such insurance. The Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers and key employees to expensive litigation risks at the same time as the availability and coverage of liability insurance has been severely limited. Indemnitee does not regard the current protection available as adequate under the present circumstances, and Indemnitee may not be willing to continue to serve in Indemnitee's current capacity with the Company without additional protection. The Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, and to indemnify its directors, officers and key employees so as to provide them with the maximum protection permitted by law and the amended and restated memorandum and articles of association of the Company (the "Articles").

AGREEMENT

In consideration of the mutual promises made in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and Indemnitee hereby agree as follows:

1. **Indemnification.**

(a) **Third-Party Proceedings.** To the fullest extent permitted by applicable law, as such may be amended from time to time, and the Articles, the Company shall indemnify Indemnitee, if Indemnitee was, is or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding (other than a Proceeding by or in the right of the Company to procure a judgment in the Company's favor), against all Expenses, judgments, fines and amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) actually and reasonably incurred by Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

(b) **Proceedings By or in the Right of the Company.** To the fullest extent permitted by applicable law and the Articles, the Company shall indemnify Indemnitee, if Indemnitee was, is or is threatened to be made a party to or a participant (as a witness or otherwise) in any Proceeding by or in the right of the Company to procure a judgment in the Company's favor, against all Expenses actually and reasonably incurred by Indemnitee in

connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudicated by court order or judgment to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such Proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) **Success on the Merits.** To the fullest extent permitted by applicable law and the Articles and to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding referred to in Section 1(a) or Section 1(b) or the defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection therewith. Without limiting the generality of the foregoing, if Indemnitee is successful on the merits or otherwise as to one or more but less than all claims, issues or matters in a Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with such successfully resolved claims, issues or matters to the fullest extent permitted by applicable law and the Articles. If any Proceeding is disposed of on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Company, (iii) a plea of guilty by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and (v) with respect to any criminal Proceeding, an adjudication that Indemnitee had reasonable cause to believe Indemnitee's conduct was unlawful, Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

(d) **Witness Expenses.** To the fullest extent permitted by applicable law and the Articles and to the extent that Indemnitee is a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with such Proceeding.

2. **Indemnification Procedure.**

(a) **Advancement of Expenses.** To the fullest extent permitted by applicable law and the Articles, the Company shall advance all Expenses actually and reasonably incurred by Indemnitee in connection with a Proceeding within thirty (30) days after receipt by the Company of a statement requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Such advances shall be unsecured and interest free and shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to
Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. To the extent permissible by applicable law and the Articles, Indemnitee shall be entitled to continue to receive advancement of Expenses pursuant to this Section 2(a) unless and until the matter of Indemnitee's entitlement to indemnification hereunder has been finally adjudicated by court order or judgment from which no further right of appeal exists. Indemnitee

hereby undertakes to repay such amounts advanced only if, and to the extent that, it ultimately is determined that Indemnitee is not entitled to be indemnified by the Company under the other provisions of this Agreement and the Articles. To the extent permissible by applicable law and the Articles, Indemnitee shall qualify for advances upon the execution and delivery of this Agreement, which shall constitute the requisite undertaking with respect to repayment of advances made hereunder and no other form of undertaking shall be required to qualify for advances made hereunder other than the execution of this Agreement.

(b) **Notice and Cooperation by Indemnitee.** Indemnitee shall promptly notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter for which indemnification will or could be sought under this Agreement. Such notice to the Company shall include a description of the nature of, and facts underlying, the Proceeding, shall be directed to the Chief Executive Officer of the Company and shall be given in accordance with the provisions of Section 13(e) below. In addition, Indemnitee shall give the Company such additional information and cooperation as the Company may reasonably request. Indemnitee's failure to so notify, provide information and otherwise cooperate with the Company shall not relieve the Company of any obligation that it may have to Indemnitee under this Agreement, except to the extent that the Company is adversely affected by such failure.

(c) **Determination of Entitlement.**

(i) **Final Disposition.** Notwithstanding any other provision in this Agreement, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

(ii) **Determination and Payment.** Subject to the foregoing, promptly after receipt of a statement requesting payment with respect to the indemnification rights set forth in Section 1, to the extent required by applicable law, the Company shall take the steps necessary to authorize such payment in the manner set forth under applicable law or the Articles. The Company shall pay any claims made under this Agreement, under any statute, or under any provision of the Company's Articles providing for indemnification or advancement of Expenses, within thirty (30) days after a written request for payment thereof has first been received by the Company, and if such claim is not paid in full within such thirty (30) day-period, Indemnitee may, but need not, at any time thereafter bring an action against the Company in the Delaware Court of Chancery to recover the unpaid amount of the claim and, subject to Section 12, Indemnitee shall also be entitled to be paid for all Expenses actually and reasonably incurred by Indemnitee in connection with bringing such action. It shall be a defense to any such action (other than an action brought to enforce a claim for advancement of Expenses under Section 2(a)) that Indemnitee has not met the standards of conduct which make it permissible under applicable law or the Articles for the Company to indemnify Indemnitee for the amount claimed. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement and the Company shall have the burden of proof to

overcome that presumption with clear and convincing evidence to the contrary. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or, in the case of a criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful. In addition, it is the parties' intention that if the Company contests Indemnitee's right to indemnification, the question of Indemnitee's right to indemnification shall be for the court to decide, and neither the failure of the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its shareholders) to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct required by applicable law or the Articles, nor an actual determination by the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its shareholders) that Indemnitee has not met such applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. If any requested determination with respect to entitlement to indemnification hereunder has not been made within ninety (90) days after the final disposition of the Proceeding, the requisite determination that Indemnitee is entitled to indemnification shall be deemed to have been made.

(d) **Payment Directions.** To the extent payments are required to be made hereunder, the Company shall to the extent permissible by applicable law and the Articles, in accordance with Indemnitee's request (but without duplication), (i) pay such Expenses on behalf of Indemnitee, (ii) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (iii) reimburse Indemnitee for such Expenses.

(e) **Notice to Insurers.** If, at the time of the receipt of a notice of a claim pursuant to Section 2(b) hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies to the extent permissible by applicable law and the Articles. The Company shall provide to Indemnitee: (i) copies of all potentially applicable directors' and officers' liability insurance policies, (ii) a copy of such notice delivered to the applicable insurers, and (iii) copies of all subsequent correspondence between the Company and such insurers regarding the Proceeding, in each case substantially concurrently with the delivery or receipt thereof by the Company.

(f) **Defense of Claim and Selection of Counsel.** In the event the Company shall be obligated under Section 2(a) hereof to advance Expenses with respect to any Proceeding, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, with counsel reasonably acceptable to Indemnitee, upon the delivery to Indemnitee of written notice of its election so to do, and upon Indemnitee providing signed, written consent to such assumption, which shall not be unreasonably withheld. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company

will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, provided that (i) Indemnitee shall have the right to employ counsel in any such Proceeding at Indemnitee's expense; and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense or (C) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company to the extent permissible by applicable law and the Articles. In addition, if there exists a potential, but not an actual conflict of interest between the Company and Indemnitee, the actual and reasonable legal fees and expenses incurred by Indemnitee for separate counsel retained by Indemnitee to monitor the Proceeding (so that such counsel may assume Indemnitee's defense if the conflict of interest between the Company and Indemnitee becomes an actual conflict of interest) shall be deemed to be Expenses that are subject to indemnification hereunder to the extent permissible by applicable law and under the Articles. The existence of an actual or potential conflict of interest, and whether such conflict may be waived, shall be determined pursuant to the rules of attorney professional conduct and applicable law. The Company shall not be required to obtain the consent of Indemnitee for the settlement of any Proceeding the Company has undertaken to defend if the Company assumes full and sole responsibility for each such settlement; provided, however, that the Company shall be required to obtain Indemnitee's prior written approval, which shall not be unreasonably withheld, before entering into any settlement which (1) does not grant Indemnitee a complete release of liability, (2) would impose any penalty or limitation on Indemnitee, or (3) would admit any liability or misconduct by Indemnitee.

3. **Additional Indemnification Rights.**

(a) **Scope.** Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by applicable law and the Articles, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement. In the event of any change, after the date of this Agreement, in any applicable law, statute, or rule which expands the right of a Cayman Islands company to indemnify a member of its board of directors or an officer, such changes shall (subject to applicable law and the Articles) be deemed to be within the purview of Indemnitee's rights and the Company's obligations under this Agreement. In the event of any change in any applicable law, statute or rule which narrows the right of a Cayman Islands company to indemnify a member of its board of directors or an officer, such changes, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement shall have no effect on this Agreement or the parties' rights and obligations hereunder subject to applicable law and the Articles.

(b) **Nonexclusivity.** The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Company's Articles, any agreement, any vote of shareholders or disinterested members of the Company's Board of Directors, applicable law, or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while holding such office.

(c) **Interest on Unpaid Amounts.** If any payment to be made by the Company to Indemnitee hereunder is delayed by more than ninety (90) days from the date the duly prepared request for such payment is received by the Company, interest shall be paid by the Company to Indemnitee at the legal rate under applicable law for amounts which the Company indemnifies or is obligated to indemnify for the period commencing with the date on which Indemnitee actually incurs such Expense or pays such judgment, fine or amount in settlement and ending with the date on which such payment is made to Indemnitee by the Company.

(d) **Third-Party Indemnification.** The Company hereby acknowledges that Indemnitee has or may from time to time obtain certain rights to indemnification, advancement of expenses and/or insurance provided by one or more third parties (collectively, the "ThirdParty Indemnitors"). The Company hereby agrees that it is the indemnitor of first resort (*i.e.,* its obligations to Indemnitee are primary and any obligation of the Third-Party Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), and that the Company will not assert that the Indemnitee must seek expense advancement or reimbursement, or indemnification, from any Third-Party Indemnitor before the Company must perform its expense advancement and reimbursement, and indemnification obligations, under this Agreement. No advancement or payment by the ThirdParty Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing. The Third-Party Indemnitors shall be subrogated to the extent of such advancement or payment to all of the rights of recovery which Indemnitee would have had against the Company if the Third-Party Indemnitors had not advanced or paid any amount to or on behalf of Indemnitee. If for any reason a court of competent jurisdiction determines that the Third-Party Indemnitors are not entitled to the subrogation rights described in the preceding sentence, the Third-Party Indemnitors shall have a right of contribution by the Company to the Third-Party Indemnitors with respect to any advance or payment by the Third-Party Indemnitors to or on behalf of the Indemnitee.

4. **Partial Indemnification.** If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines or amounts paid in settlement, actually and reasonably incurred in connection with a Proceeding, but not, however, for the total amount thereof, the Company shall to the extent permissible by applicable law and the Articles nevertheless indemnify Indemnitee for the portion of such Expenses, judgments, fines and amounts paid in settlement to which Indemnitee is entitled.

5. **Director and Officer Liability Insurance.**

(a) **D&O Policy.** The Company shall, from time to time, make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the directors and officers of the Company with coverage for losses from wrongful acts, or to ensure the Company's performance of its indemnification obligations under this Agreement. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. In all policies of director and officer liability

insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's officers, if Indemnitee is not a director of the Company but is an officer; or of the Company's key employees, if Indemnitee is not an officer or director but is a key employee. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionate to the amount of coverage provided, if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or if Indemnitee is covered by similar insurance maintained by a parent or subsidiary of the Company.

(b) **Tail Coverage.** In the event of a Change of Control or the Company becoming insolvent (including being placed into receivership or entering the federal bankruptcy process and the like), the Company shall, to the extent permissible by applicable law and the Articles, maintain in force any and all insurance policies then maintained by the Company in providing insurance (directors' and officers' liability, fiduciary, employment practices or otherwise) in respect of Indemnitee, for a period of six years thereafter.

6. **Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If this Agreement or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnitee to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated, and the balance of this Agreement not so invalidated shall be enforceable in accordance with its terms.

7. **Exclusions.** Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) **Claims Initiated by Indemnitee.** To indemnify or advance Expenses to Indemnitee with respect to Proceedings initiated or brought voluntarily by Indemnitee and not by way of defense, except with respect to Proceedings brought to establish, enforce or interpret a right to indemnification under this Agreement or any other statute or law or otherwise as required under applicable law, but such indemnification or advancement of Expenses may be provided by the Company in specific cases, to the extent permissible by applicable law and the Articles, if the Board of Directors finds it to be appropriate; provided, however, that the exclusion set forth in the first clause of this subsection shall not be deemed to apply to any investigation initiated or brought by Indemnitee to the extent reasonably necessary or advisable in support of Indemnitee's defense of a Proceeding to which Indemnitee was, is or is threatened to be made, a party;

(b) **Lack of Good Faith.** To indemnify Indemnitee for any Expenses incurred by Indemnitee with respect to any Proceeding instituted by Indemnitee to establish, enforce or interpret a right to indemnification under this Agreement or any other statute or law or otherwise as required under applicable law, if a court of competent jurisdiction determines that

each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous;

(c) **Unlawful Payments.** To indemnify Indemnitee for Expenses to the extent it is determined by a final court order or judgment by a court of competent jurisdiction, to which all rights of appeal have either lapsed or been exhausted, that such indemnification is unlawful;

(d) **Certain Conduct.** To indemnify Indemnitee for Expenses on account of Indemnitee's conduct that is established by a final court order or judgment by a court of competent jurisdiction, to which all rights of appeal have either lapsed or been exhausted, as knowingly fraudulent or to have resulted from Indemnitee's own dishonesty or willful default;

(e) **Insured Claims.** To indemnify Indemnitee for Expenses to the extent such Expenses have been paid directly to Indemnitee by an insurance carrier under an insurance policy maintained by the Company; or

(f) **Certain Exchange Act Claims.** To indemnify Indemnitee in connection with any claim made against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or any similar successor statute or any similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") or Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); provided, however, that to the fullest extent permitted by applicable law and the Articles and to the extent Indemnitee is successful on the merits or otherwise with respect to any such Proceeding, the Expenses actually and reasonably incurred by Indemnitee in connection with any such Proceeding shall be deemed to be Expenses that are subject to indemnification hereunder.

8. **Contribution Claims.**

(a) If the indemnification provided in Section 1 is unavailable in whole or in part and may not be paid to Indemnitee for any reason other than those set forth in Section 7, then in respect to any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), to the fullest extent permitted by applicable law and the Articles, the Company, in lieu of indemnifying Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid in settlement, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth

in the preceding Section 8(a), if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any Expenses, judgment or settlement in any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall, to the extent permissible by applicable law and the Articles, contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such Expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) With respect to a Proceeding brought against directors, officers, employees or agents of the Company (other than Indemnitee), to the fullest extent permitted by applicable law and the Articles, the Company shall indemnify Indemnitee from any claims for contribution that may be brought by any such directors, officers, employees or agents of the Company (other than Indemnitee) who may be jointly liable with Indemnitee, to the same extent Indemnitee would have been entitled to such indemnification under this Agreement if such Proceeding had been brought against Indemnitee.

9. **No Imputation.** The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or the Company itself shall not be imputed to Indemnitee for purposes of determining any rights under this Agreement.

10. **Determination of Good Faith.** For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or the Board of Directors of the Enterprise or any counsel selected by any committee of the Board of Directors of the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser, investment banker, compensation consultant, or other expert selected with reasonable care by the Enterprise or the Board of Directors of the Enterprise or any committee thereof. The provisions of this Section 10 shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct. Whether or not the foregoing provisions of this Section are satisfied, it

shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company.

11. **Defined Terms and Phrases.** For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act as in effect on the date hereof.

(b) "Change of Control" shall be deemed to occur upon the earliest of any of the following events:

(i) Acquisition of Shares by Third Party. Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 50[1]% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the appointment of directors, unless (1) the change in the relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares entitled to vote generally in the appointment of directors, or (2) such acquisition was approved in advance by the Continuing Directors and such acquisition would not constitute a Change of Control under part (iii) of this definition.

(ii) Change in Board of Directors. Individuals who, as of the date of this Agreement, constitute the Company's Board of Directors (the "Board"), and any new director whose appointment by the Board or nomination for appointment by the Company's shareholders was approved by a vote of at least two thirds of the directors then still in office who were directors on the date of this Agreement (collectively, the "Continuing Directors"), cease for any reason to constitute at least a majority of the members of the Board.

(iii) Corporate Transaction. The effective date of a reorganization, merger, or consolidation of the Company (a "Business Combination"), in each case, unless, following such Business Combination: (1) all or substantially all of the individuals and entities who were the Beneficial Owners of securities entitled to vote generally in the appointment of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than 51% of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the appointment of directors resulting from such Business Combination (including a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the securities entitled to vote generally in the appointment of directors and with the power to appoint at least a majority of the Board or other governing body of the surviving entity; (2) no Person (excluding any corporation resulting from such Business Combination) is the Beneficial Owner, directly or indirectly, of 15% or more of the combined voting power of the then outstanding securities entitled to vote generally in the appointment of

[1] Default usually 50%; for public companies or soon-to-be public companies some companies use 20-40%.

directors of such corporation except to the extent that such ownership existed prior to the Business Combination; and (3) at least a majority of the Board of Directors of the corporation resulting from such Business Combination were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination.

(iv) Liquidation. The approval by the Company's shareholders of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets, other than factoring the Company's current receivables or escrows due (or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale or disposition in one transaction or a series of related transactions).

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item or any similar schedule or form) promulgated under the Exchange Act whether or not the Company is then subject to such reporting requirement.

(c) "Company" shall include, in addition to the resulting or surviving company or corporation, any constituent company or corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent company or corporation, or is or was serving at the request of such constituent company or corporation as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving company or corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(d) "Enterprise" means the Company and any other enterprise that Indemnitee was or is serving at the request of the Company as a director, officer, partner (general, limited or otherwise), member (managing or otherwise), trustee, fiduciary, employee or agent.

(e) "Exchange Act" means the Securities Exchange Act of 1934, as amended. (f) "Expenses" shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including all attorneys' fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payment under this Agreement (including taxes that may

be imposed upon the actual or deemed receipt of payments under this Agreement with respect to the imposition of federal, state, local or foreign taxes), fax transmission charges, secretarial services and all other disbursements, obligations or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement or appeal of, or otherwise participating in a Proceeding. Expenses also shall include any of the forgoing expenses incurred in connection with any appeal resulting from any Proceeding, including the principal, premium, security for, and other costs relating to any costs bond, supersedes bond, or other appeal bond or its equivalent. Expenses also shall include any interest, assessment or other charges imposed thereon and costs incurred in preparing statements in support of payment requests hereunder. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "Person" shall have the meaning as set forth in Section 13(d) and 14(d) of the Exchange Act as in effect on the date hereof; provided, however, that "Person" shall exclude: (i) the Company; (ii) any direct or indirect majority owned subsidiaries of the Company; (iii) any employee benefit plan of the Company or any direct or indirect majority owned subsidiaries of the Company or of any corporation owned, directly or indirectly, by the Company's shareholders in substantially the same proportions as their ownership of shares of the Company (an

"Employee Benefit Plan"); and (iv) any trustee or other fiduciary holding securities under an Employee Benefit Plan.

(h) "Proceeding" shall include any actual, threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by a third party, a government agency, the Company or its Board of Directors or a committee thereof, whether in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, legislative or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is, will or might be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company, by reason of any action (or failure to act) taken by Indemnitee or of any action (or failure to act) on Indemnitee's part while acting as a director, officer, employee or agent of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, partner (general, limited or otherwise), member (managing or otherwise), trustee, fiduciary, employee or agent of any other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement.

(i) In addition, references to "other enterprise" shall include another company, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise; references to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by Indemnitee with respect to an employee benefit

plan, its participants, or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement; references to "include" or "including" shall mean include or including, without limitation; and references to Sections, paragraphs or clauses are to Sections, paragraphs or clauses in this Agreement unless otherwise specified.

12. **Attorneys' Fees.** In the event that any Proceeding is instituted by Indemnitee under this Agreement to enforce or interpret any of the terms hereof or for recovery under any D&O Policy, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with such Proceeding, unless a court of competent jurisdiction determines that each of the material assertions made by Indemnitee as a basis for such Proceeding were not made in good faith or were frivolous. In the event of a Proceeding instituted by or in the name of the Company under this Agreement or to enforce or interpret any of the terms of this Agreement, the Company shall to the extent permissible by applicable law and the Articles, indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with such Proceeding (including with respect to Indemnitee's counterclaims and cross-claims made in such action), unless a court of competent jurisdiction determines that each of Indemnitee's material defenses to such action were made in bad faith or were frivolous.

13. **Miscellaneous.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Binding Effect.** Without limiting any of the rights of Indemnitee described in Section 3(b), this Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions and supersedes any and all previous agreements between them covering the subject matter herein. The indemnification provided under this Agreement applies with respect to events occurring before or after the effective date of this Agreement, and shall continue to apply even after Indemnitee has ceased to serve the Company in any and all indemnified capacities, in each case to the extent permissible by applicable law and the Articles.

(c) **Amendments and Waivers.** No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns.** This Agreement shall be binding upon the Company and its successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company) and assigns, and inure to the benefit of Indemnitee and Indemnitee's heirs, executors, administrators, legal representatives and assigns. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile or scanned copy will have the same force and effect as execution of an original, and a facsimile or scanned signature will be deemed an original and valid signature.

(i) **No Employment Rights.** Nothing contained in this Agreement is intended to create in Indemnitee any right to continued employment.

(j) **Company Position.** The Company shall be precluded from asserting, in any Proceeding brought for purposes of establishing, enforcing or interpreting any right to indemnification under this Agreement, that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement and is precluded from making any assertion to the contrary.

(k) **Subrogation.** Subject to Section 3(d), in the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company to effectively bring suit to enforce such rights.

[Signature Page Follows]

The parties have executed this Indemnification Agreement as of the date first set forth above.

THE COMPANY:

Mynd.ai, Inc.

By:___
(Signature)

_____Name:

Address:

720 Olive Way, Suite 1500
Seattle, Washington 98101
United States

AGREED TO AND ACCEPTED:

INDEMNITEE:

_____

(PRINT NAME)

_____

(Signature)

Address:

Email: _____

Exhibit 4.3

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of December 12, 2023, is made and entered into by and among Gravitas Education Holdings, Inc. (a/k/a Mynd.ai, Inc.), a Cayman Islands exempted company (the "Company"), and each of the parties set forth on Schedule A hereto (each, a "Holder" and collectively, the "Holders").

RECITALS

WHEREAS, on the date hereof, the closing (the "Closing") of the transactions (such transactions, the "Transactions") contemplated by Agreement and Plan of Merger, dated as of April 18, 2023 (the "Merger Agreement"), by and among (i) the Company, (ii) Bright Sunlight Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of the Company, (iii) Best Assistant Education Online Limited, a Cayman Islands exempted company, and (iv) solely for purposes of Sections 7.1(d) and 7.4(b) of the Merger Agreement, NetDragon Websoft Holdings Limited, a Cayman Islands exempted company, has occurred;

WHEREAS, after the Closing, the Holders hold certain ordinary shares of the Company, $0.001 par value per share (the "Company Ordinary Shares"), in the respective amounts provided in Schedule A hereto;

WHEREAS, in connection with the consummation of the Transactions, the Company and the Holders desire to enter into this Agreement in order to provide the Holders with registration rights on the terms set forth herein;

NOW, **THEREFORE**, in consideration of the representations, covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

1.1. Definitions. The terms defined in this Article I shall, for all purposes of this Agreement, have the respective meanings set forth below:

"Adverse Disclosure" shall mean any public disclosure of material non-public information, which disclosure, in the good faith judgment of the Board or the Chairman, Chief Executive Officer or principal financial officer of the Company (i) would be required to be made in any Registration Statement or Prospectus in order for the applicable Registration Statement or Prospectus not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein (in the case of any Prospectus and any preliminary Prospectus, in the light of the circumstances under which they were made) not misleading, (ii) would not be required to be made at such time if the Registration Statement were not being filed, and (iii) the Company has a bona fide business purpose for not making such information public.

"Agreement" shall have the meaning given in the Preamble hereto.

"Board" shall mean the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, a Sunday or other day on which commercial banks in New York, Los Angeles, Hong Kong or the Cayman Islands are authorized or required by Legal Requirements to close.

"Commission" shall mean the Securities and Exchange Commission.

"Company" shall have the meaning given in the Preamble hereto.

"Company Ordinary Shares" shall have the meaning set forth in the Recitals hereto.

"Demand Exercise Notice" shall have the meaning given in subsection 2.1.2.

"Demanding Holders" shall have the meaning given in subsection 2.1.1.

"Demand Registration" shall have the meaning given in subsection 2.1.2.

"Demand Registration Period" shall have the meaning given in subsection 2.1.2.

"Demand Registration Request" shall have the meaning given in subsection 2.1.2.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as it may be amended from time to time.

"Filing Date" shall have the meaning given in subsection 2.1.1(a).

"Holders" shall have the meaning given in the Preamble.

"Initiating Holders" shall have the meaning given in subsection 2.1.2.

"Maximum Number of Securities" shall have the meaning given in subsection 2.1.3.

"Merger Agreement" shall have the meaning set forth in the Recitals hereto.

"Minimum Demand Threshold" shall mean $25,000,000.

"Misstatement" shall mean an untrue statement of a material fact or an omission to state a material fact required to be stated in a Registration Statement, preliminary Prospectus or Prospectus, or necessary to make the statements in a Registration Statement, preliminary Prospectus or Prospectus, in the case of the preliminary Prospectus or Prospectus, in light of the circumstances under which they were made, not misleading.

"Piggy-back Registration" shall have the meaning given in Section 2.2.1.

"Pro Rata" shall have the meaning given in Section 2.1.3.

"Prospectus" shall mean the prospectus included in any Registration Statement, as supplemented by any and all prospectus supplements and as amended by any and all post-effective amendments and including all materials incorporated by reference in such prospectus.

"Registrable Security" shall mean (a) any Company Ordinary Shares held by a Holder from time to time and (b) any other equity security of the Company issued or issuable with respect to any such Company Ordinary Shares by way of a stock dividend or stock split or in connection with a combination of stock, acquisition, recapitalization, consolidation, reorganization, stock exchange, stock reconstruction and amalgamation or contractual control arrangement with, purchasing all or substantially all of the assets of, or engagement in any other similar transaction; provided, however, that, as to any particular Registrable Security, such securities shall cease to be Registrable Securities when: (i) if a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act, at the earlier of (A) one year following the date the Registration Statement is declared effective or (B) the date that such securities shall have been sold, transferred, disposed of or exchanged in accordance with such Registration Statement; (ii) such securities may be sold without registration pursuant to Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the Commission) (but with no volume or other restrictions or limitations including as to manner or timing of sale); (iii) such securities shall have ceased to be outstanding; or (iv) such securities have been sold to, or through, a broker, dealer or underwriter in a public distribution or other public securities transaction.

"Registration" shall mean a registration effected by preparing and filing a Registration Statement or similar document in compliance with the requirements of the Securities Act, and the applicable rules and regulations promulgated thereunder, and such Registration Statement becoming effective.

"Registration Expenses" shall mean the out-of-pocket expenses of a Registration, including, without limitation, the following:

(A) all registration and filing fees (including fees with respect to filings required to be made with the Financial Industry Regulatory Authority and any securities exchange on which the Company Ordinary Shares are then listed);

(B) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the Underwriters in connection with blue sky qualifications of Registrable Securities);

(C) printing, messenger, telephone and delivery expenses; (D) reasonable fees and disbursements of counsel for the Company; and

(E) reasonable fees and disbursements of all independent registered public accountants of the Company incurred specifically in connection with such Registration.

"Registration Statement" shall mean any registration statement that covers the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus included in such registration statement, amendments (including post-effective amendments) and supplements to such registration statement, and all exhibits to and all materials incorporated by reference in such registration statement.

"Requesting Holder" shall have the meaning given in subsection 2.1.3.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Shelf Registrable Securities" shall have the meaning given in subsection 2.1.1(b).

"Shelf Registration Statement" shall have the meaning given in subsection 2.1.1(a).

"Shelf Underwriting" shall have the meaning given in subsection 2.1.1(b).

"Shelf Underwriting Notice" shall have the meaning given in subsection 2.1.1(b).

"Shelf Underwriting Request" shall have the meaning given in subsection 2.1.1(b).

"Transactions" shall have the meaning set forth in the Recitals.

"Underwriter" shall mean a securities dealer who purchases any Registrable Securities as principal in an Underwritten Offering and not as part of such dealer's market-making activities.

"Underwritten Block Trade" shall have the meaning given in Section 2.1.1(b).

"Underwritten Registration" or "Underwritten Offering" shall mean a Registration in which securities of the Company are sold to an Underwriter in a firm commitment underwriting for distribution to the public.

ARTICLE II REGISTRATIONS

2.1. Demand Registration.

2.1.1. Shelf Registration Statement. At any time and from time to time, the Holders of a majority-in-interest of the then outstanding number of Registrable Securities (the "Demanding Holders") shall have the right to make a written demand the Company to prepare and file with (or confidentially submit to) the Commission a shelf registration statement under Rule 415 of the Securities Act (such registration statement, a "Shelf Registration Statement") covering the resale of the Registrable Securities (determined as of two Business Days prior to such filing) on a delayed or continuous basis and the Company shall use its commercially reasonable efforts to have such Shelf Registration Statement declared effective as soon as practicable after the filing thereof. Such Shelf Registration Statement shall provide for the resale of the Registrable Securities included therein pursuant to any method or combination of methods legally available to, and requested by, any Holder named therein. The Company shall maintain the Shelf Registration Statement in accordance with the terms hereof, and shall prepare and file

with the Commission such amendments, including post-effective amendments, and supplements as may be necessary to keep a Shelf Registration Statement continuously effective, available for use to permit all Holders named therein to sell their Registrable Securities included therein and in compliance with the provisions of the Securities Act until such time as there are no longer any Registrable Securities. If at any time the Company shall have qualified for the use of a Registration Statement on Form F-3 or any other form that permits incorporation of substantial information by reference to other documents filed by the Company with the Commission and at such time the Company has an outstanding Shelf Registration Statement on Form F-1, then the Company shall use its commercially reasonably efforts to convert such outstanding Shelf Registration Statement on Form F-1 into a Shelf Registration Statement on Form F-3.

(a) Following the declaration by the Commission of the effectiveness of a Shelf Registration Statement as described above, and subject to Section 2.3 and Section 2.4, the Demanding Holders may make a written demand from time to time to elect to sell all or any part of their Registrable Securities, with a total offering price reasonably expected to exceed, in the aggregate, the Minimum Demand Threshold, pursuant to an Underwritten Offering pursuant to the Shelf Registration Statement, which written demand shall describe the amount and type of securities to be included in such Registration and the intended method(s) of distribution thereof. The Demanding Holders shall make such election by delivering to the Company a written request (a "Shelf Underwriting Request") for such Underwritten Offering specifying the number of Registrable Securities that the Demanding Holders desire to sell pursuant to such Underwritten Offering (the "Shelf Underwriting"). As promptly as practicable, but no later than five (5) Business Days after receipt of a Shelf Underwriting Request, the Company shall give written notice (the "Shelf Underwriting Notice") of such Shelf Underwriting Request to the Holders of record of other Registrable Securities registered on such Shelf Registration Statement ("Shelf Registrable Securities"). The Company, subject to Section 2.1.3, shall include in such Shelf Underwriting (x) the Registrable Securities of the Demanding Holders and (y) the Shelf Registrable Securities of any other Holder of Shelf Registrable Securities which shall have made a written request to the Company for inclusion in such Shelf Underwriting (which request shall specify the maximum number of Shelf Registrable Securities intended to be disposed of by such Holder) within ten (10) days after the receipt of the Shelf Underwriting Notice. The Company shall promptly (and in any event within twenty (20) Business Days after the receipt of a Shelf Underwriting Request), but subject to Section 2.3, use its commercially reasonable efforts to effect such Shelf Underwriting. The Company shall, at the request of any Demanding Holder or any other Holder of Registrable Securities registered on such Shelf Registration Statement, file any prospectus supplement or, if the applicable Shelf Registration Statement is an automatic shelf registration statement, any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language deemed necessary or advisable by the Demanding Holders or any other Holder of Shelf Registrable Securities to effect such Shelf Underwriting. Once a Shelf Registration Statement has been declared effective, the Demanding Holders may request, and the Company shall be required to facilitate, an aggregate of three (3) Shelf Underwritings pursuant to this subsection 2.1.1(a) with respect to any or all Registrable Securities in any twelve (12) month period; provided, however, that a Shelf Underwriting shall not be counted for such purposes unless a Registration Statement has become effective and all of the Registrable Securities requested by the Demanding Holders to be registered on behalf of the Demanding Holders in such Shelf Underwriting have been sold; and provided, further, that the

number of Shelf Underwritings the Demanding Holders shall be entitled to request shall be reduced by each Demand Registration effected for such Demanding Holder pursuant to Section
2.1.2. Notwithstanding the foregoing, if a Demanding Holder wishes to engage in an underwritten block trade or similar transaction or other transaction with a 2-day or less marketing period (collectively, "Underwritten Block Trade") off of a Shelf Registration Statement, then notwithstanding the foregoing time periods, such Demanding Holder only needs to notify the Company of the Underwritten Block Trade two (2) Business Days prior to the day such offering is to commence and the Holders of record of other Registrable Securities shall not be entitled to notice of such Underwritten Block Trade and shall not be entitled to participate in such Underwritten Block Trade; provided, however, that the Demanding Holder requesting such Underwritten Block Trade shall use commercially reasonable efforts to work with the Company and the underwriters prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the Underwritten Block Trade.

2.1.2. Other Demand Registration. At any time that a Shelf Registration
Statement provided for in Section 2.1.1(a) is not available for use by the Holders following such
Shelf Registration Statement being declared effective by the Commission (a "Demand Registration Period"), subject to this Section 2.1.2, Section 2.3 and Section 2.4, at any time and from time to time, the Demanding Holders shall have the right to make a written demand from time to time to effect one or more registration statements under the Securities Act covering all or any part of their Registrable Securities, with a total offering price reasonably expected to exceed, in the aggregate, the Minimum Demand Threshold, by delivering a written demand therefor to the Company, which written demand shall describe the amount and type of securities to be included in such Registration and the intended method(s) of distribution thereof. Any such request by any Demanding Holder pursuant to this Section 2.1.2 is referred to herein as a "Demand Registration Request," and the registration so requested is referred to herein as a "Demand Registration" (with respect to any Demand Registration, the Demanding Holders making such demand for registration being referred to as the "Initiating Holders"). Subject to Section 2.3, the Demanding Holders shall be entitled to request (and the Company shall be required to effect) an aggregate of three (3) Demand Registrations pursuant to this Subsection 2.1.2 with respect to any or all Registrable Securities in any twelve (12) month period; provided, however, that a Demand Registration shall not be counted for such purposes unless a Registration Statement has become effective and all of the Registrable Securities requested by the Demanding Holders to be registered on behalf of the Demanding Holders in such Demand Registration have been sold; and provided, further, that the number of Demand Registrations the Demanding Holders shall be entitled to request shall be reduced by each Shelf Underwriting effected for such Demanding Holder pursuant to Section 2.1.1(b). The Company shall give written notice (the "Demand Exercise Notice") of such Demand Registration Request to each of the Holders of record of Registrable Securities as promptly as practicable but no later than five (5) Business Days after receipt of the Demand Registration Request. The Company, subject to
Sections 2.3 and 2.4, shall include in a Demand Registration (x) the Registrable Securities of the Initiating Holders and (y) the Registrable Securities of any other Holder of Registrable Securities which shall have made a written request to the Company for inclusion in such registration pursuant to this Section 2.1.2 (which request shall specify the maximum number of Registrable Securities intended to be disposed of by such Holder) within ten (10) days following the receipt

of any such Demand Exercise Notice. The Company shall promptly, but subject to Section 2.3, use its commercially reasonable efforts to (x) file or confidentially submit with the Commission
(no later than (A) sixty (60) days from the Company's receipt of the applicable Demand Registration Request if the Demand Registration is on Form F-1 or similar long-form registration or (B) thirty (30) days from the Company's receipt of the applicable Demand Registration Request if the Demand Registration is on Form F-3 or any similar short-form registration), (y) cause to be declared effective as soon as reasonably practicable such registration statement under the Securities Act that includes the Registrable Securities which the Company has been so requested to register, for distribution in accordance with the intended method of distribution and (z) if requested by the Initiating Holders, obtain acceleration of the effective date of the registration statement relating to such registration.

2.1.3. Reduction of Underwritten Offering. If the managing Underwriter or
Underwriters in an Underwritten Registration pursuant to a Shelf Underwriting or Demand Registration, in good faith, advises the Company, the Demanding Holders and any other Holders participating in the Underwritten Registration (if any) (the "Requesting Holders") in writing that the dollar amount or number of Registrable Securities that such Holders desire to sell, taken together with all other Company Ordinary Shares or other equity securities that the Company desires to sell and the Company Ordinary Shares, if any, as to which a Registration has been requested pursuant to separate written contractual piggy-back registration rights held by any other shareholders who desire to sell, exceeds the maximum dollar amount or maximum number of equity securities that can be sold in the Underwritten Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (such maximum dollar amount or maximum number of such securities, as applicable, the "Maximum Number of Securities"), then the Company shall include in such Underwritten Offering, as follows: (i) first, the Registrable Securities of the Demanding Holders and the Requesting Holders (if any) (pro rata based on the respective number of Registrable Securities that each Demanding Holder and Requesting Holder (if any) has requested be included in such Underwritten Registration and the aggregate number of Registrable Securities that the
Demanding Holders and Requesting Holders have collectively requested be included in such Underwritten Registration (such proportion is referred to herein as "Pro Rata")) that can be sold without exceeding the Maximum Number of Securities; (ii) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (i), the shares of the Company Ordinary Shares or other equity securities that the Company desires to sell that can be sold without exceeding the Maximum Number of Securities; (iii) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (i) and (ii), the shares of the Company Ordinary Shares or other equity securities of other persons or entities that the Company is obligated to register in a Registration pursuant to separate written contractual arrangements with such persons and that can be sold without exceeding the Maximum Number of Securities.

2.1.4. Demand Registration Withdrawal. A majority-in-interest of the
Demanding Holders initiating a Shelf Underwriting or Demand Registration, pursuant to a Registration under subsection 2.1.1 or 2.1.2 shall have the right in their sole discretion to withdraw from a Registration pursuant to such Demand Registration upon written notification to the Company and the Underwriter or Underwriters (if any) of their intention to withdraw from

such Registration prior to (i) in the case of a Shelf Underwriting, the filing of a preliminary prospectus supplement setting forth the terms of the Underwritten Offering with the Commission and (ii) in the case of a Demand Registration, the effectiveness of the Registration Statement filed with the Commission with respect to the Registration of their Registrable Securities pursuant to such Demand Registration. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with a Registration pursuant to a Shelf Underwriting or Demand Registration prior to its withdrawal under this subsection 2.1.4.

2.2. Piggy-back Registration.

2.2.1. Piggy-back Rights. If, at any time on or after the date hereof, the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of equity securities, or securities or other obligations exercisable or exchangeable for, or convertible into equity securities, for its own account or for the account of shareholders of the Company (or by the Company and by the shareholders of the Company including, without limitation, pursuant to Section 2.1 hereof), other than a Registration Statement (i) filed in connection with any employee stock option or other benefit plan, (ii) for an exchange offer, as part of a merger, consolidation or similar transaction or for an offering of securities solely to the Company's existing shareholders, (iii) for an offering of debt that is convertible into equity securities of the Company, or (iv) for a dividend reinvestment plan, then the Company shall give written notice of such proposed filing to all of the Holders of Registrable Securities as soon as practicable but not less than ten (10) days before the anticipated filing date of such Registration Statement, which notice shall (A) describe the amount and type of securities to be included in such offering, the intended method(s) of distribution, and the name of the proposed managing
Underwriter or Underwriters, if any, in such offering, and (B) offer to all of the Holders of
Registrable Securities the opportunity to register the sale of such number of Registrable Securities as such Holders may request in writing within ten (10) Business Days after receipt of such written notice (such Registration a "Piggy-back Registration"). The Company shall, in good faith, cause such Registrable Securities to be included in such Piggy-back Registration and shall use its best efforts to cause the managing Underwriter or Underwriters of a proposed Underwritten Offering to permit the Registrable Securities requested by the Holders pursuant to this subsection 2.2.1 to be included in a Piggy-back Registration on the same terms and conditions as any similar securities of the Company included in such Registration and to permit the sale or other disposition of such Registrable Securities in accordance with the intended method(s) of distribution thereof. All such Holders proposing to distribute their Registrable Securities through an Underwritten Offering under this subsection 2.2.1 shall enter into an underwriting agreement in customary form with the Underwriter(s) selected for such
Underwritten Offering by the Company. The Company may postpone or withdraw the filing or the effectiveness of a Piggyback Registration at any time in its sole discretion.

2.2.2. Reduction of Piggy-back Registration. If the managing Underwriter or Underwriters in an Underwritten Registration that is to be a Piggy-back Registration, in good faith, advises the Company and the Holders of Registrable Securities participating in the Piggy-back Registration in writing that the dollar amount or number of the Company Ordinary Shares that the Company desires to sell, taken together with (i) the Company Ordinary Shares, if any, as

to which Registration has been demanded pursuant to separate written contractual arrangements with persons or entities other than the Holders of Registrable Securities hereunder,
(ii) the Registrable Securities as to which registration has been requested pursuant to
Section 2.2.1 hereof, and (iii) the Company Ordinary Shares, if any, as to which Registration has been requested pursuant to separate written contractual piggy-back registration rights of other shareholders of the Company, exceeds the Maximum Number of Securities, then:

(a) If the Registration is undertaken for the Company's account, the Company shall include in any such Registration (A) first, the Company Ordinary Shares or other equity securities that the Company desires to sell, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.2.1 hereof, Pro Rata, which can be sold without exceeding the Maximum Number of Securities; and (C) third, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A) and (B), the Company Ordinary Shares, if any, as to which Registration has been requested pursuant to written contractual piggy-back registration rights of other shareholders of the Company, which can be sold without exceeding the Maximum Number of Securities; and

(b) If the Registration is pursuant to a request by persons or entities other than the Holders of Registrable Securities, then the Company shall include in any such Registration (A) first, the Company Ordinary Shares or other equity securities, if any, of such requesting persons or entities, which can be sold without exceeding the Maximum Number of Securities; (B) second, to the extent that the Maximum Number of Securities has not been reached under the foregoing clause (A), the Registrable Securities of Holders exercising their rights to register their Registrable Securities pursuant to subsection 2.2.1, Pro Rata, which can be sold without exceeding the Maximum Number of Securities (C) third, to the extent that the Maximum
Number of Securities has not been reached under the foregoing clauses (A) and (B), the Company Ordinary Shares or other equity securities that the Company desires to sell which can be sold without exceeding the Maximum Number of Securities; and (D) fourth, to the extent that the Maximum Number of Securities has not been reached under the foregoing clauses (A), (B) and (C), the Company Ordinary Shares or other equity securities for the account of other persons or entities that the Company is obligated to register pursuant to separate written contractual arrangements with such persons or entities, which can be sold without exceeding the Maximum Number of Securities.

2.2.3. Piggy-back Registration Withdrawal. Any Holder of Registrable Securities shall have the right to withdraw from a Piggy-back Registration for any or no reason whatsoever upon written notification to the Company and the Underwriter or Underwriters (if any) of his, her or its intention to withdraw from such Piggy-back Registration prior to the effectiveness of the Registration Statement filed with the Commission with respect to such Piggy-back Registration. the Company (in its sole discretion or as the result of a request for withdrawal by persons pursuant to separate written contractual obligations) may postpone or withdraw the filing or effectiveness of a Piggy-back Registration. Notwithstanding anything to the contrary in this Agreement, the Company shall be responsible for the Registration Expenses incurred in connection with the Piggy-back Registration prior to its withdrawal under this subsection 2.2.3.

2.2.4. Unlimited Piggy-back Registration Rights. For purposes of clarity, any Registration effected pursuant to Section 2.2 hereof shall not be counted as a Registration pursuant to a Shelf Underwriting or Demand Registration effected under Section 2.1 hereof; provided, however, that the rights to demand a Piggy-back Registration under this Section 2.2 shall terminate on the second anniversary of the date hereof.

2.3. Restrictions on Registration Rights. The Company shall not be obligated to effect any Shelf Underwriting or Demand Registration within 90 days after the effective date of a previous Shelf Underwriting or Demand Registration or a previous Piggy-back Registration in which holders of Registrable Securities were permitted to register, and actually sold, 75% of the Registrable Securities requested to be included therein. The Company may postpone for up to
120 days the filing or effectiveness of (A) a Shelf Underwriting or Registration Statement for a
Demand Registration if the Holders have requested an Underwritten Registration and the Company and the Holders are unable to obtain the commitment of underwriters to firmly underwrite the offer, or (B) a Shelf Underwriting or Registration Statement for a Demand Registration if the Registration Statement is required under applicable law, rule or regulation to contain (i) financial statements that are unavailable to the Company for reasons beyond the Company's control, (ii) audited financial statements as of a date other than the Company's fiscal year end (unless the Holders requesting Registration agree to pay the reasonable expenses of this audit), (iii) pro form a financial statements that are required to be included in a registration statement, or if the Board determines in its reasonable good faith judgment that such Shelf Underwriting or Demand Registration would (x) materially interfere with a significant acquisition, corporate organization or other similar transaction involving the Company, (y) require the Company to make an Adverse Disclosure or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act; provided, that in such event the Holders of a majority-in-interest of the Registrable Securities initiating a Shelf Underwriting or Demand Registration shall be entitled to withdraw such request and, if such request is withdrawn, such Shelf Underwriting or Demand Registration shall not count as one of the permitted Shelf Underwriting or Demand Registrations hereunder and the Company shall pay all Registration Expenses in connection with such Registration. the Company may delay a Shelf Underwriting or Demand Registration hereunder only twice in any period of twelve consecutive months.

2.4. Lock-Up. Notwithstanding anything to the contrary in this Agreement, the
Company shall not be obligated to effect any Shelf Underwriting, Demand Registration or Piggy-back Registration of any Registrable Securities subject to any lock-up described in any of the Lock-Up Agreements. Nothing in this Section 2.4 shall limit the Company's obligation to register all of the Registrable Securities on the Shelf Registration Statement pursuant to Section 2.1.1(a).

ARTICLE III COMPANY PROCEDURES

3.1. General Procedures. If at any time on or after the date hereof the Company is required to effect the Registration of Registrable Securities, the Company shall use its best efforts to effect such Registration to permit the sale of such Registrable Securities in accordance with the intended plan of distribution thereof, and pursuant thereto the Company shall:

3.1.1. prepare and file with the Commission a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective and remain effective until all Registrable Securities covered by such Registration Statement have been sold;

3.1.2. prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement, and such supplements to the Prospectus, as may be requested by any Holder or any Underwriter of Registrable Securities or as may be required by the rules, regulations or instructions applicable to the registration form used by the Company or by the Securities Act or rules and regulations thereunder to keep the Registration Statement effective until all Registrable Securities covered by such Registration Statement are sold in accordance with the intended plan of distribution set forth in such Registration Statement or supplement to the Prospectus and either (i) any Underwriter overallotment option has terminated by its terms or (ii) the Underwriters have advised the Company that they will not exercise such option or any remaining portion thereof;

3.1.3. furnish without charge to the Underwriters, if any, and each Holder of Registrable Securities included in such Registration, or such Holders' legal counsel, copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus), and each amendment and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein), and such other documents as the Underwriters and each Holder of Registrable Securities included in such Registration or the legal counsel for any such Holders may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holders;

3.1.4. prior to any public offering of Registrable Securities, use its best efforts to (i) register or qualify the Registrable Securities covered by the Registration Statement under such securities or "blue sky" laws of such jurisdictions in the United States as any Holder of Registrable Securities included in such Registration Statement (in light of their intended plan of distribution) may reasonably request and (ii) take such action necessary to cause such Registrable Securities covered by the Registration Statement to be registered with or approved by such other governmental authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable the Holders of Registrable Securities included in such Registration Statement to consummate the disposition of such Registrable Securities in such jurisdictions; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify or take any action to which it would be subject to general service of process or taxation in any such jurisdiction where it is not then otherwise so subject;

3.1.5. use commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange or automated quotation system on which similar securities issued by the Company are then listed;

3.1.6. provide a transfer agent or warrant agent, as applicable, and registrar for all such Registrable Securities no later than the effective date of such Registration Statement;

3.1.7. advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its commercially reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued;

3.1.8. at least five (5) days prior to the filing of any Registration Statement or Prospectus or any amendment or supplement to such Registration Statement or Prospectus or any document that is to be incorporated by reference into such Registration Statement or Prospectus, furnish a copy thereof to each seller of such Registrable Securities and its counsel, including, without limitation, providing copies promptly upon receipt of any comment letters received with respect to any such Registration Statement or Prospectus;

3.1.9. notify the Holders at any time when a Prospectus relating to such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes a Misstatement, and then to correct such Misstatement as set forth in Section 3.4 hereof;

3.1.10. in the event of an Underwritten Offering, permit the participating Holders to rely on any "cold comfort" letter from the Company's independent registered public accountants provided to the managing Underwriter of such offering;

3.1.11. in the event of an Underwritten Offering, permit the participating Holders to rely on any opinion(s) of counsel representing the Company for the purposes of such Registration issued to the managing Underwriter of such offering covering legal matters with respect to the Registration;

3.1.12. in the event of any Underwritten Offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing Underwriter of such offering;

3.1.13. make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the Registration Statement which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 20-F and 6-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

3.1.14. if the Registration involves the Registration of Registrable Securities involving gross proceeds in excess of $25,000,000, use its reasonable efforts to make available senior executives of the Company to participate in customary "road show" presentations that may be reasonably requested by the Underwriter in any Underwritten Offering; and

3.1.15. otherwise, in good faith, cooperate reasonably with, and take such

customary actions as may reasonably be requested by the Holders, in connection with such Registration.

3.2. Registration Expenses. The Registration Expenses of all Registrations shall be borne by the Company. It is acknowledged by the Holders that the Holders shall bear all incremental selling expenses relating to the sale of Registrable Securities, such as Underwriters' commissions and discounts, brokerage fees, Underwriter marketing costs and fees and expenses of legal counsel representing the Holders in excess or in addition to the legal fees and expenses included as Registration Expenses. Any reimbursement or payment by the Company shall in no event (a) be duplicative of or (b) limit any provision, in each case which provides for reimbursement of fees and expenses of counsel in any other contract or agreement between the Holders and the Company.

3.3. Requirements for Participation in Underwritten Offerings. No person may participate in any Underwritten Offering for equity securities of the Company pursuant to a Registration initiated by the Company hereunder unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting arrangements approved by the Company and (ii) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements.

3.4. Suspension of Sales; Adverse Disclosure. Upon receipt of written notice from the Company that a Registration Statement or Prospectus contains a Misstatement, each of the Holders shall forthwith discontinue disposition of Registrable Securities until he, she or it is advised in writing by the Company that the use of the Prospectus may be resumed and he, she or it has received copies of a supplemented or amended Prospectus correcting the Misstatement (it being understood that the Company hereby covenants to prepare and file such supplement or amendment as soon as reasonably practicable after the time of such notice) and, if so directed by the Company, each Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities at the time of receipt of such notice. If the continued use of a Registration Statement in respect of any Registration at any time would require the Company to make an Adverse Disclosure, or would require the inclusion in such Registration Statement of (i) financial statements that are unavailable to the Company for reasons beyond the Company's control, (ii) audited financial statements as of a date other than the Company's fiscal year end (unless the Holders requesting Registration agree to pay the reasonable expenses of this audit), or
(iii) pro forma financial statements that are required to be included in a registration statement, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, such Registration Statement for no more than 180 days. In the event the Company exercises its rights under the preceding sentence, the Holders agree to suspend, immediately upon their receipt of the notice referred to above, their use of the Prospectus relating to any Registration in connection with any sale or offer to sell Registrable Securities. The Company shall immediately notify the Holders of the expiration of any period during which it exercised its rights under this Section 3.4.

3.5. Reporting Obligations. As long as any Holder shall own Registrable Securities, the Company, at all times while it shall be reporting under the Exchange Act, covenants to use its commercially reasonable efforts to file timely (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 Sections 13(a) or 15(d) of the Exchange Act and to promptly upon request by a Holder furnish such Holder with true and complete copies of such filings. the Company further covenants that it shall take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell the Company Ordinary Shares held by such Holder without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act, including providing any legal opinions. Upon the request of any Holder, the Company shall deliver to such Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

ARTICLE IV INDEMNIFICATION AND CONTRIBUTION

4.1. Indemnification.

4.1.1. The Company agrees to indemnify, to the extent permitted by law, each Holder of Registrable Securities, its officers and directors and each person who controls such Holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such Holder expressly for use therein. The Company shall indemnify the Underwriters, their officers and directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to the indemnification of the Holder.

4.1.2. In connection with any Registration Statement in which a Holder of Registrable Securities is participating, such Holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, shall indemnify the Company, its directors and officers and agents and each person who controls the Company (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such Holder expressly for use therein; provided, however, that the obligation to indemnify shall be several, not joint and several, among such Holders of
Registrable Securities, and the liability of each such Holder of Registrable Securities shall be in proportion to and limited to the net proceeds received by such Holder from the sale of

Registrable Securities pursuant to such Registration Statement. The Holders of Registrable Securities shall indemnify the Underwriters, their officers, directors and each person who controls such Underwriters (within the meaning of the Securities Act) to the same extent as provided in the foregoing with respect to indemnification of the Company.

4.1.3. Any person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's right to indemnification hereunder to the extent such failure has not materially prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel (plus local counsel) for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

4.1.4. The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities. The Company and each Holder of Registrable Securities participating in an offering also agrees to make such provisions as are reasonably requested by any indemnified party for contribution to such party in the event the Company's or such Holder's indemnification is unavailable for any reason.

4.1.5. If the indemnification provided under Section 4.1 hereof from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the

indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action; provided, however, that the liability of any Holder under this subsection 4.1.5 shall be limited to the amount of the net proceeds received by such Holder in such offering giving rise to such liability. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in subsections 4.1.1, 4.1.2 and 4.1.3 above, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this subsection 4.1.5 were determined by pro rata allocation or by any other method of allocation, which does not take account of the equitable considerations referred to in this subsection 4.1.5. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this subsection 4.1.5 from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE V MISCELLANEOUS

5.1. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given: (a) on the date established by the sender as having been delivered personally; (b) one (1) Business Day after being sent by a nationally recognized overnight courier guaranteeing overnight delivery; (c) on the date that transmission is confirmed electronically, if delivered by email; or (d) on the fifth (5th) Business Day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications, to be valid, must be addressed as follows: to the Company, at:

Mynd.ai, Inc.
720 Olive Way
Suite 1500
Seattle, Washington 98101
Attn: General Counsel
E-mail: Legal@Mynd.ai and Allyson.krause@mynd.ai

with a copy to:

Mynd.ai, Inc.
720 Olive Way
Suite 1500
Seattle, Washington 98101
Attn: CFO
E-mail: OfficeoftheCFO@mynd.ai and Arthur.Gitterman@mynd.ai

and

Best Assistant Education Online Limited
Units 2001-05&11, 20/F, Harbour Centre,

25 Harbour Road
Wan Chai, Hong Kong
Attention: Garwin Chan E-mail: garwin@elm-tree.com

with a copy to:

Cleary Gottlieb Steen & Hamilton
45th Floor, Fortune Financial Center
5 Dong San Huan Zhong Lu
Chaoyang District, Beijing 100020
People's Republic of China Attention: Denise Shiu E-mail: dshiu@cgsh.com
and

Cleary Gottlieb Steen & Hamilton
One Liberty Plaza
New York NY 10006
Attention: Adam Brenneman
E-mail: abrenneman@cgsh.com

and to the Holders, at such Holder's address referenced in Schedule A.

Any party may change its address for notice at any time and from time to time by written notice to the other parties hereto as provided in this Section 5.1.

5.2. Assignment; No Third Party Beneficiaries.

5.2.1. This Agreement and the rights, duties and obligations of the Company hereunder may not be assigned or delegated by the Company in whole or in part. Prior to the expiration of any lock-up period described in the Lock-Up Agreements that is applicable to the relevant Registrable Securities, as the case may be, no Holder may assign or delegate his, her or its rights, duties or obligations under this Agreement in whole or in part.

5.2.2. Except as set forth in subsection 5.2.1 hereof, this Agreement and the rights, duties and obligations of the Holders of Registrable Securities hereunder may be assigned or delegated by such Holder of Registrable Securities in conjunction with and to the extent of any transfer of Registrable Securities by any such Holder.

5.2.3. This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of each of the Company and the Holders, the permitted assigns and its successors and the permitted assigns of the Holders.

5.2.4. This Agreement shall not confer any rights or benefits on any persons that are not parties hereto, other than as expressly set forth in this Agreement and Section 5.2 hereof.

5.2.5. No assignment by any party hereto of such party's rights, duties and obligations hereunder shall be binding upon or obligate the Company unless and until the Company shall have received (i) written notice of such assignment as provided in Section 5.1 hereof and (ii) the written agreement of the assignee, in a form reasonably satisfactory to the Company, to be bound by the terms and provisions of this Agreement (which may be accomplished by an addendum or certificate of joinder to this Agreement). Any transfer or assignment made other than as provided in this Section 5.2 shall be null and void.

5.3. Counterparts. This Agreement may be executed in multiple counterparts (including facsimile or PDF counterparts), each of which shall be deemed an original, and all of which together shall constitute the same instrument, but only one of which need be produced.

5.4. Governing Law; Venue. THE PARTIES EXPRESSLY AGREE THAT THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS OF SUCH JURISDICTION. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States or the courts of the State of New York in each case located in the city of New York, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

5.5. Amendments and Modifications. Upon the written consent of the Company and the Holders of at least a majority in interest of the then outstanding Registrable Securities, compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects one Holder, solely in its capacity as a holder of the shares of capital stock of the Company, in a manner that is materially different from the other Holders (in such capacity) shall require the consent of the Holder so affected. No course of dealing between any Holder or the Company and any other party hereto or any failure or delay on the part of a Holder or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of any Holder or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party.

5.6. Other Registration Rights. The Company represents and warrants that no person, other than a Holder of Registrable Securities has any right to require the Company to register any securities of the Company for sale or to include such securities of the Company in any Registration filed by the Company for the sale of securities for its own account or for the account of any other person.

5.7. Termination. This Agreement shall terminate upon the earlier of (i) the fifth anniversary of the date hereof or (ii) the date as of which (A) all of the Registrable Securities have either been sold pursuant to a Registration Statement or cease to be Registrable Securities (but in no event prior to the applicable period referred to in Section 4(3) of the Securities Act and

Rule174 thereunder) or (B) the Holders of all Registrable Securities are permitted to sell the Registrable Securities under Rule144 (or any similar provision) under the Securities Act without limitation on the amount of securities sold or the manner of sale. The provisions of Section 3.5 and Article IV shall survive any termination.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

COMPANY:

GRAVITAS EDUCATION HOLDINGS, INC. ,
a Cayman Islands exempted company

By: _____
Name: Yanlai Shi
Title: Director

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

HOLDERS:

NetDragon Websoft Inc.
a British Virgin Islands company

By: _____
Name: LIU Dejian
Title: Director

Schedule A

Holder	Address	Company Ordinary Share Amount
NetDragon Websoft Inc.	Best Assistant Education Online Limited Units 2001-05&11, 20/F, Harbour Centre, 25 Harbour Road Wan Chai, Hong Kong Attention: Garwin Chan E-mail: garwin@elmtree.com with a copy to: Cleary Gottlieb Steen & Hamilton 45th Floor, Fortune Financial Center 5 Dong San Huan Zhong Lu Chaoyang District, Beijing 100020 People's Republic of China Attention: Denise Shiu E-mail: dshiu@cgsh.com and Cleary Gottlieb Steen & Hamilton One Liberty Plaza New York NY 10006 Attention: Adam Brenneman E-mail: abrenneman@cgsh.com	338,340,623

Exhibit 4.4
Execution Version

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is entered into as of December 13, 2023, by and among Mynd.ai, Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands and formerly known as Gravitas Education Holdings, Inc. (the "Company"), and the investor listed on the signature page hereto (the "Purchaser"). Capitalized terms used but not defined elsewhere herein are defined in Exhibit A. The Purchaser and any other party that may become a party hereto pursuant to Section 4.1 are referred to collectively as the "Holders" and individually each as a "Holder".

WHEREAS, the Company and the Purchaser are parties to Senior Secured Convertible Note Purchase Agreement, dated as of April 18, 2023 (as amended from time to time, the "Purchase Agreement"), pursuant to which the Company is selling to the Purchaser, and the Purchaser is purchasing from the Company, an aggregate of $65,000,000 Convertible Notes (the "Convertible Notes"), which are convertible into American Depositary Shares of the Company ("ADSs") each representing ten Ordinary Shares ("Ordinary Shares") of the Company with a par value of $0.001 per share.

WHEREAS, the Company has granted certain registration rights (the "Convertible Notes Registration Rights") to the Holders of the Convertible Notes.

WHEREAS, as a condition to the obligations of the Company and the Purchaser under the Purchase Agreement, the Company and the Purchaser are entering into this Agreement for the purpose of granting certain registration and other rights to the Holders.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

ARTICLE I REGISTRATION RIGHTS

Section 1.1 Demand Registration. All Registrable Securities shall be subject to demand registration on the terms set forth below. Demand registration rights may be exercised by any Holder from and after the date that is the six month anniversary of the Closing Date, provided that such a demand may only be exercised if at such time "adequate public information" (as specified in Rule 144(c)(1)) is not then available.

(a) Request by Holders. If the Company shall receive a written request from the Purchaser or any other Holder (or any of its successors, permitted assigns or transferees, each, an "Initiating Holder") that the Company file a registration statement under the Securities Act (other than on Form F-3 or Form S-3) covering the registration of all or a portion of the Registrable Securities of such requesting Initiating Holder with an aggregate public offering price covering the amount requested of at least $10,000,000 pursuant to this Section 1.1, then the Company shall, within ten (10) Business Days of the receipt of such written request, give written notice of such request (the "Request Notice") to all the Holders, and use its reasonably best efforts, consistent with Section 2.2(a), to effect, as soon as practicable, the registration under the Securities Act of all the Registrable Securities that the Holders request to be registered

and included in such registration (including the Initiating Holder(s)) by written notice given by such Holders to the Company within ten (10) Business Days after receipt of the Request Notice.

(b) Underwritten Offering. If any Initiating Holder intends to distribute the Registrable Securities covered by its request by means of an underwritten offering, then it shall so advise the Company as a part of its request made pursuant to this Section 1.1 and the Company shall include such information in the Request Notice. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holder(s) and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwritten offering shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 1.1, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwritten offering shall be reduced as required by the underwriter(s) and allocated among the Holders on a pro rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the Initiating Holder(s)); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities are first entirely excluded from the underwriting and registration including, without limitation, all shares that are not Registrable Securities and are held by any other Person who is not a Holder, including, without limitation, any Person who is an employee, officer or director of the Company or any Subsidiary of the Company; provided further, that, in any event, at least fifty percent (50%) of shares of Registrable Securities requested by the Holders to be included in such underwriting and registration shall be so included. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Maximum Number of Demand Registrations. The Company shall not be obligated to effect more than three (3) such demand registration requested by all Holders pursuant to this Section 1.1; provided that if the sale of all of the Registrable Securities sought to be included in a registration statement pursuant to this Section 1.1 is not consummated for any reason other than due to the action or inaction of the Holders including Registrable Securities in such registration statement, such registration shall not be deemed to constitute one of the registration rights granted pursuant to this Section 1.1.

(d) Deferral. Notwithstanding the foregoing, if the Company shall furnish to the Holders requesting registration pursuant to this Section 1.1, a certificate signed by the chief executive officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for a registration statement to be filed at such time, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holder(s); provided, however, that the Company may not utilize this right more than once in any twelve (12) month period; provided further, that the Company shall not register

any other of its Ordinary Shares during such deferral period. A demand right shall not be deemed to have been exercised until such deferred registration shall have been effected.

Section 1.2 Piggyback Registration.

(a) Participation. Subject to the terms of this Agreement, if the Company proposes to register for its own account any of its equity securities in connection with a public offering of such securities, or if any registration of equity securities is requested by other current or future investors in the Company, the Company shall notify all the Holders of the Registrable Securities in writing at least thirty (30) Business Days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including, but not limited to, registration statements relating to any primary or secondary offering of securities of the Company, but excluding registration statements relating to any registration under Section 1.1 of this Agreement or to any employee benefit plan or a corporate reorganization), and shall afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall within ten (10) Business Days after receipt of the above described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company or any subsequent investors, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) Underwritten offering. If a registration statement under which the Company gives notice under this Section 1.2 is for an underwritten offering, then the Company shall so advise the Holders. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 1.2 shall be conditioned upon such Holder's participation in such underwritten offering and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All the Holders proposing to distribute their Registrable Securities through such underwritten offering shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Agreement but subject to Section 5.2, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares from the registration and the underwritten offering, and the number of shares that may be included in the registration and the underwritten offering shall be allocated, first, to the Company, second, to each holder of Registrable Securities requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based on the respective percentages of the Registrable Securities requested to be included in such offering by such Holders, and third, to holders of other securities of the Company; provided, however, that the right of the underwriter(s) to exclude Ordinary Shares (including the Registrable Securities) from the registration and underwritten offering as described above shall be restricted so that (i) the number of the Registrable Securities included in any such registration is not reduced below thirty percent (30%) of the aggregate number of Ordinary Shares of the Registrable Securities, on a pro rata basis, for which inclusion has been requested; and (ii) all Ordinary Shares that are not Registrable Securities and are held by any other Person, including, without limitation, any Person who is an employee, officer or director of the Company (or any Subsidiary of the Company) shall first be excluded from such registration and underwritten offering before any Registrable Securities are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the

registration statement. Any Registrable Securities excluded or withdrawn from such underwritten offering shall be excluded and withdrawn from the registration.

(c) Not Demand Registration. Registration pursuant to this Section 1.2 shall not be deemed to be a demand registration as described in Section 1.1 above. There shall be no limit on the number of times Holders may request registration of Registrable Securities under this Section 1.2.

ARTICLE II

ADDITIONAL PROVISIONS REGARDING REGISTRATION RIGHTS

Section 2.1 Expenses. All Registration Expenses incurred in connection with any registration pursuant to Section 1.1 or Section 1.2 or shall be borne by the Company, including, without limitation: (1) all registration and filing fees and expenses (including filings made by any Purchaser or Holder with FINRA (and, if applicable, the fees and expenses of any "qualified independent underwriter" and its counsel that may be required by the rules and regulations of FINRA)); (ii) all fees and expenses of compliance with federal securities and state securities or blue sky laws; (iii) all expenses of printing, messenger an delivery services; (iv) all fees and disbursements of counsel for the Holders; (v) all fees and expenses of the Agent and its counsel, to the extent applicable; (vi) all application and filing fees in connection with listing the Registrable Securities on a securities exchange or automated dealer quotation system pursuant to the requirements thereof; and (vii) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

Section 2.2 Obligation of the Company. Whenever required to effect the registration of any Registrable Securities under this Agreement, the Company shall, as expeditiously as reasonably possible:

(a) Registration Statement. Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective, and keep such registration statement effective for a period of up to ninety (90) days or, in the case of the Registrable Securities registered under Form F-3 or Form S-3 in accordance with Rule 415 under the Securities Act or a successor rule, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such ninety (90) day period shall be extended for a period of time equal to the period any Holder refrains from selling any securities included in such registration at the request of the underwriter(s) (after consultation with the Company), and (ii) in the case of any registration of the Registrable Securities which are intended to be offered on a continuous or delayed basis, such ninety (90) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold. Notwithstanding any other provision of this Section 2.2 (a), if at any time the relevant Registrable Securities may be sold under Rule 144 without regard to any restrictions on volume or manner of sale, the Company will have no obligation to cause a registration statement to be declared effective or to maintain the effectiveness of any such registration statement.

(b) Amendments and Supplements. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement.

(c) Prospectuses. Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such

other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration.

(d) Blue Sky. Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as shall be reasonably requested by the Holders; provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service of process in such jurisdiction and except as may be required by the Securities Act.

(e) Underwriting. In the event of any underwritten public offering, participate in standard due diligence exercises and enter into and perform its obligations under an underwriting agreement in usual and customary form, in each case with the managing underwriter(s) of such offering.

(f) Notification. Notify each holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of (i) the issuance of any stop order by the SEC in respect of such registration statement, or
(ii) the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Opinion and Comfort Letter. Furnish, at the request of any Holder requesting registration of the Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective (the "Applicable Date"), (i) an opinion dated as of the Applicable Date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities, (ii) a "negative assurance letter," dated as of the Applicable Date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (iii) "comfort" letters dated as of (x) the effective date of the registration statement covering such Registrable Securities and (y) the closing date of the offering, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities; provided however, that the items specified under (ii) and (iii) above shall only be provided to the Holders requesting such registration if, in the opinion of the independent certified public accountants of the Company, the delivery of such comfort letters are consistent with Statement of Auditing Standards No. 72, or such other applicable accounting standard as may be applicable to such auditors at the relevant time.

(h) Compliance. Comply with all applicable rules and regulations of the SEC, and make available to the Company's security holders, as soon as reasonably practicable but no later than fifteen
(15) months after the effective date of the registration statement, an earnings statement covering a period

of twelve (12) months beginning after the effective date of the registration statement, in a manner which satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(i) Listing. Cause all such Registrable Securities (in the form of ADSs or otherwise) to be listed on each securities exchange on which similar securities issued by the Company are then listed, provided that the applicable listing requirements are satisfied.

(j) FINRA. Cooperate with the Holders and each underwriter or agent participating in the disposition of Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA, including the use of commercially reasonable efforts to obtain FINRA's pre- clearance or pre-approval of the registration statement and applicable prospectus upon filing with the SEC.

(k) Updates. Keep Holders' counsel advised in writing as to the initiation and progress of any registration under Section 1.1 or Section 1.2 of this Agreement.

(l) Cooperation. Cooperate with each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made.

(m) Marketing Efforts. In connection with an underwritten offering, cause its officers to use their commercially reasonable efforts to support the marketing of the Registrable Securities covered by such offering (including participation in "roadshows" or other similar marketing efforts).

(n) Other Reasonable Steps. Take all other steps reasonably necessary to effect the registration of the Registrable Securities contemplated hereby.

Section 2.3 Other Obligations of the Company. So long as any Registrable Securities remain outstanding and the principal trading market for the Company's equity securities is in the form of ADSs, the Company shall not terminate the Deposit Agreement and shall, if necessary, direct the Depositary to file, and cooperate with the Depositary in filing, amendments to the Form F-6 registering ADSs to increase the number of ADSs registered thereunder to cover the total number of ADSs corresponding to the Registrable Securities then outstanding.

Section 2.4 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 1.1or Section 1.2 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the

intended method of disposition of such securities as shall be required to timely effect the registration of their Registrable Securities.

Section 2.5 Rule 144 Reporting. With a view to making available the benefits of Rule 144 to the Holders, the Company agrees that, for so long as a Holder owns Registrable Securities, the Company will use its commercially reasonable efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) so long as a Holder owns any Registrable Securities, to furnish to such Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, or its qualification as a registrant whose securities may be resold pursuant to Form F-3 or Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as a Holder may reasonably request in availing itself of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to Form F-3 or Form S-3.

Section 2.6 Re-Sale Rights. The Company shall at its own cost use its reasonable best efforts to assist each Holder in the sale or disposition of, and to enable the Holder to sell under Rule 144 promulgated under the Securities Act, the maximum number of, its Registrable Securities, including without limitation (a) the prompt delivery of applicable instruction letters to the Company's transfer agent to remove legends from the Holder's share certificates, (b) if legal opinions from the Company's counsel are specifically required by the transfer agent, causing the prompt delivery of such legal opinions in forms reasonably satisfactory to the transfer agent, and (c) so long as the principal market for the Company's equity securities is in the form of ADSs, (i) the prompt delivery of instruction letters to the Company's share registrar and depository agent to convert the Holder's securities into depository receipts or similar instruments to be deposited in the Holder's brokerage account(s), and (ii) the prompt payment of all costs and fees related to such depositary facility, including maintenance fees and conversion fees for Registrable Securities held by the Holders. The Company acknowledges that time is of the essence with respect to its obligations under this Section 2.6, and that any delay will cause the Holders irreparable harm and constitutes a material breach of its obligations under this Agreement.

ARTICLE III INDEMNIFICATION

Section 3.1 Indemnification by Company. To the extent permitted by applicable law, the Company will, with respect to any Registrable Securities covered by a registration statement or prospectus, or as to which registration, qualification or compliance under applicable "blue sky" laws has been effected pursuant to this Agreement, indemnify and hold harmless each Holder, each Holder's officers, directors, partners, members, and employees, and each Person controlling such Holder within the meaning of Section
15 of the Securities Act and such Person's officers, directors, partners, members, and employees (collectively, the "Company Indemnified Parties"), from and against any and all expenses, claims, losses, damages, costs (including costs of preparation and reasonable attorney's fees and any legal or other fees or

expenses actually incurred by such party in connection with any investigation or proceeding), judgments, fines, penalties, charges, amounts paid in settlement and other liabilities, joint or several, (or actions in respect thereof) (collectively, "Losses") to the extent arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, preliminary prospectus, "issuer free writing prospectus" (as such term is defined in Rule 433 under the Securities Act), in each case related to such registration statement, or any amendment or supplement thereto, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law, any other applicable securities laws or any rules or regulations thereunder applicable to the Company and (without limiting the preceding portions of this Section 3.1), the Company will reimburse each of the Company Indemnified Parties for any reasonable and documented out-of-pocket legal expenses and any other reasonable and documented out-of-pocket expenses actually incurred in connection with investigating, defending or, subject to the last sentence of this Section 3.1, settling any such Losses or action, as such expenses are incurred; provided that the Company's indemnification obligations shall not apply to amounts paid in settlement of any Losses or action if such settlement is effected without the prior written consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable to a Holder in any such case for any such Losses or action to the extent that it arises out of or is based upon a violation or alleged violation of any state or federal law (including any claim arising out of or based on any untrue statement or alleged untrue statement or omission or alleged omission in the registration statement or prospectus) which occurs in reliance upon and in conformity with written information regarding such Holder furnished to the Company by such Holder or its authorized representatives expressly for use in connection with such registration by or on behalf of any Holder.

Section 3.2 Indemnification by Holders. To the extent permitted by applicable law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which registration or qualification or compliance under applicable "blue sky" laws is being effected, indemnify, severally and not jointly with any other holders of Registrable Securities, the Company, each of its officers, directors, partners, members, and employees and each Person who controls the Company within the meaning of Section 15 of the Securities Act (collectively, the "Holder Indemnified Parties"), against all Losses (or actions in respect thereof) to the extent arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, preliminary prospectus, offering circular, "issuer free writing prospectus" or other document, in each case related to such registration statement, or any amendment or supplement thereto, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and will reimburse each of the Holder Indemnified Parties for any reasonable and documented out-of-pocket legal expenses and any other reasonable and documented out-of-pocket expenses actually incurred in connection with investigating, defending or, subject to the last sentence of this Section 3.2, settling any such Losses or action, as such expenses are incurred, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular, "issuer free writing prospectus" or other document in reliance upon and in conformity with written information regarding such Holder furnished to the Company by such Holder or its authorized representatives and stated to be specifically for use therein; provided, however, that, except for liability for fraud or willful misrepresentation, in no event shall any indemnity under this Section 3.2 payable by the Holder exceed an amount equal to the net proceeds received by such Holder in respect of the Registrable Securities sold pursuant to the registration statement. The indemnity agreement contained in this Section 3.2 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or

action if such settlement is effected without the prior written consent of the applicable Holder (which consent shall not be unreasonably withheld or delayed).

Section 3.3 Notification. If any Person shall be entitled to indemnification under this ARTICLE III (each, an "Indemnified Party"), such Indemnified Party shall give prompt written notice to the party required to provide indemnification (each, an "Indemnifying Party") of any claim or of the commencement of any proceeding as to which indemnity is sought. The Indemnifying Party shall have the right, exercisable by giving written notice to the Indemnified Party as promptly as reasonably practicable after the receipt of written notice from such Indemnified Party of such claim or proceeding, to assume, at the Indemnifying Party's expense, the defense of any such claim or litigation, with counsel reasonably satisfactory to the Indemnified Party and, after notice from the Indemnifying Party to such Indemnified Party of its election to assume the defense thereof, the Indemnifying Party will not (so long as it shall continue to have the right to defend, contest, litigate and settle the matter in question in accordance with this paragraph) be liable to such Indemnified Party hereunder for any legal expenses and other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; provided, however, that an Indemnified Party shall have the right to employ separate counsel in any such claim or litigation, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless the Indemnifying Party shall have failed within a reasonable period of time to assume such defense and the Indemnified Party is or would reasonably be expected to be materially prejudiced by such delay. The failure of any Indemnified Party to give notice as provided herein shall relieve an Indemnifying Party of its obligations under this ARTICLE III only to the extent that the failure to give such notice is materially prejudicial or harmful to such Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the prior written consent of each Indemnified Party (which consent shall not be unreasonably withheld or delayed), consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. The indemnity agreements contained in this ARTICLE III shall not apply to amounts paid in settlement of any claim, loss, damage, liability or action if such settlement is effected without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. The indemnification set forth in this ARTICLE III shall be in addition to any other indemnification rights or agreements that an Indemnified Party may have. An Indemnifying Party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such Indemnifying Party with respect to such claim, unless in the reasonable judgment of any Indemnified Party a conflict of interest may exist between such Indemnified Party and any other Indemnified Parties with respect to such claim.

Section 3.4 Contribution. If the indemnification provided for in this ARTICLE III is held by a court of competent jurisdiction to be unavailable to an Indemnified Party, other than pursuant to its terms, with respect to any Losses or action referred to therein, then, subject to the limitations contained in this ARTICLE III, the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses or action in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and the Indemnified Party, on the other, in connection with the actions, statements or omissions that resulted in such Losses or action, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party, on the one hand, and the Indemnified Party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made (or omitted) by, or relates to information supplied by such Indemnifying Party or such Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such

action, statement or omission. The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 3.4 was determined solely upon *pro rata* allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding sentence of this Section 3.4. Notwithstanding the foregoing, the amount each Holder will be obligated to contribute pursuant to this Section 3.4 will be limited to an amount equal to the net proceeds received by such Holder in respect of the Registrable Securities sold pursuant to the registration statement which gives rise to such obligation to contribute. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

ARTICLE IV

TRANSFER AND TERMINATION OF REGISTRATION RIGHTS

Section 4.1 Transfer of Registration Rights. Any rights of a Holder under this Agreement, including any right to cause the Company to register securities granted to a Holder under this Agreement, may be transferred or assigned by such Holder to another Person without the consent of any other Person in connection with a transfer of any Registrable Securities to such Person in a Transfer permitted by the Purchase Agreement and the terms of the Convertible Notes; provided, however, that (i) prior written notice of such assignment of rights is given to the Company and (ii) such Holder agrees in writing to be bound by, and subject to, this Agreement pursuant to a joinder agreement in the form attached hereto as Exhibit B.

Section 4.2 Termination of Registration Rights. The rights of any particular Holder to cause the Company to register securities under ARTICLE I shall terminate with respect to such Holder upon the earliest of (i) the termination, liquidation, dissolution of the Company, (ii) when such Holder no longer holds any Registrable Securities, or (iii), such Holder is permitted to sell all of its Registerable Securities under Rule 144 without regard to any restrictions as to the volume, manner of sale or the availability of current public information.

ARTICLE V MISCELLANEOUS

Section 5.1 Amendments and Waivers. Subject to compliance with applicable law, this

Agreement may be amended or supplemented in any and all respects by written agreement of the Company and the Purchaser or if the Purchaser is no longer a Holder, by Holders holding a majority of the Registrable Securities.

Section 5.2 No Registration Rights to Third Parties. Without the prior written consent of the Holders of at least fifty percent (50%) of the number of Registrable Securities then outstanding, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any Person any registration rights of any kind (whether similar to the demand, “piggyback” or Form F-3 or Form S-3 registration rights described in this Agreement, or otherwise) relating to any securities of the Company which are senior to those granted to the holders of Registrable Securities.

Section 5.3 Extension of Time, Waiver, Etc. The parties hereto may, subject to applicable law,
(a) extend the time for the performance of any of the obligations or acts of the other party or (b) waive compliance by the other party with any of the agreements contained herein applicable to such party or, except as otherwise provided herein, waive any of such party’s conditions. Notwithstanding the foregoing,

no failure or delay by the parties hereto in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

Section 5.4 Assignment. Except as provided in Section 4.1, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise, by any of the parties hereto without the prior written consent of the other party hereto.

Section 5.5 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or electronic mail), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

Section 5.6 Entire Agreement; No Third Party Beneficiary. This Agreement constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties and their affiliates, or any of them, with respect to the subject matter hereof and thereof. No provision of this Agreement shall confer upon any Person other than the parties hereto and their permitted assigns any rights or remedies hereunder.

Section 5.7 Governing Law; Jurisdiction; Arbitration.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed entirely within that State, regardless of the laws that might otherwise govern under any applicable conflict of laws principles.

(b) Any dispute, controversy, difference or claim arising out of or relating to this Note (including without limitation any question regarding its existence, validity, interpretation, performance, breach or termination or any dispute regarding non-contractual obligations arising out of or relating to it) shall be referred to and finally resolved by arbitration in New York before a single arbitrator of the American Arbitration Association (the "AAA").

(c) The arbitrator shall be selected by application of the rules of the AAA, except that such arbitrator shall be an attorney admitted to practice law in the State of New York. Nothing in this section shall limit a party's right to obtain an injunction for a breach of this Agreement from a court of law. Any injunction obtained shall remain in full force and effect until the arbitrator fully adjudicates the dispute.

(d) Each of the parties hereto irrevocably consents to service of process in the manner provided for notices in Section 5.9. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

Section 5.8 Specific Enforcement. The parties acknowledge and agree that (a) the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to enforce specifically the terms and provisions hereof in the courts described in Section 5.7 without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement and (b) the right of specific enforcement is an integral part of this Agreement and without that right, neither the Company nor the Purchaser would have entered into this Agreement. The parties hereto agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, and agree not to assert that a remedy of monetary damages would provide an adequate remedy

or that the parties otherwise have an adequate remedy at law. The parties hereto acknowledge and agree that any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 5.7 shall not be required to provide any bond or other security in connection with any such order or injunction.

Section 5.9 Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed), emailed (which is confirmed) or sent by overnight courier (providing proof of delivery) to the parties at the following addresses:

(a) If to the Company, to it at:

Mynd.ai, Inc. 720 Olive Way

Suite 1500

Seattle, Washington 98101 Attn: General Counsel
E-mail: Legal@Mynd.ai and Allyson.krause@mynd.ai

with a copy to:

CFO

Mynd.ai, Inc.

E-mail: OfficeoftheCFO@mynd.ai and Arthur.Gitterman@mynd.ai

(b) If to the Holders, at:

Nurture Education Cayman Limited

C/O Ascendent Capital Partners (Asia) Limited Suite 3501, 35/F, Jardine House
1 Connaught Place, Central, Hong Kong Attention: Leon Meng and Derek Cheung
Email: leon@ascendentcp.com; derek@ascendentcp.com

with a copy (which shall not constitute notice) to: Morrison & Foerster LLP

33/F, Edinburgh Tower The Landmark
15 Queen's Road Central, Hong Kong Attention: Maureen Ho Email:
MHo@mofo.com

or such other address, email address or facsimile number as such party may hereafter specify by like notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of actual receipt by the recipient thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or

communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

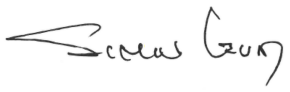
Section 5.10 Severability. If any term, condition or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term, condition or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law.

Section 5.11 Expenses. Except as provided in Section 2.1, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

[Signature pages follow]

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

COMPANY:



MYND.AI, INC.

By:

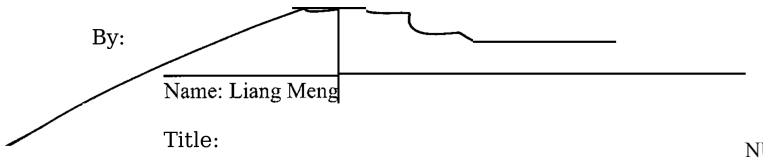
Name: LEUNG Lim Kin Simon

Title: Director

[Signature Page to Registration Rights Agreement]

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

PURCHASER:

By: 

Name: Liang Meng

Title:

NURTURE EDUCATION CAYMAN LIMITED

EXHIBIT A DEFINED TERMS

1. The following capitalized terms have the meanings indicated:

"Business Day" means any day except a Saturday, a Sunday or other day on which the SEC or banks in the City of New York are authorized or required by law to be closed.

"Closing Date" has the meaning assigned to such term in the Purchase Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Form F-3" or "Form S-3" means such respective form of registration statement under the Securities Act (including Form S-3 or Form F-3, as appropriate) or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

"Merger Agreement" has the meaning assigned to such term in the Purchase Agreement.

"number of shares of Registrable Securities then outstanding" means the number of Ordinary Shares that are Registrable Securities and are then issued and outstanding or would be outstanding assuming full conversion of the Convertible Notes then outstanding.

"Ordinary Shares" mean the ordinary shares of the Company, with a par value of $0.00005 each.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, trust, unincorporated organization or any other entity, including a governmental authority.

"register", "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement or the automatic effectiveness of such registration statement, as applicable.

"Registrable Securities" means, as of any date of determination, any Ordinary Shares owned by any Holder, including Ordinary Shares issued or issuable upon the conversion of the Convertible Notes, and Ordinary Shares issued or issuable in respect of such Ordinary Shares upon any share split, share dividend, share combination or consolidation, recapitalization, reclassification or other similar event in relation to the Ordinary Shares (including, in each case, as long as the ADSs remain listed on a national recognized securities market, Ordinary Shares in the form of ADSs (it being understood that while any offers and sales made under a registration statement contemplated by this Agreement will be of ADSs, the securities to be registered by any such registration statement under the Securities Act are Ordinary Shares, and the ADSs are registered under a separate Form F-6)). As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) such securities are sold or otherwise transferred pursuant to an effective registration statement under the Securities Act, (ii) such securities shall have ceased to be outstanding, (iii) such securities have been transferred in a transaction in which the Holder's rights under

this Agreement are not assigned to the transferee of the securities, (iv) such securities are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met or (v) the stock certificates or evidences of book-entry registration relating to such securities have had all restrictive legends removed.

"Registration Expenses" means all expenses incurred by the Company in complying with Section 1.1 and Section 1.2 hereof, including, without limitation, (i) SEC, stock exchange and FINRA registration and filing fees, (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees, charges and disbursements of counsel to any underwriter incurred in connection with "blue sky" qualifications of the Registrable Securities as may be set forth in any underwriting agreement), (iii) all printing, messenger and delivery expenses, (iv) the fees, charges and expenses of counsel to the Company and of its independent public accountants and any other accounting fees, charges and expenses incurred by the Company (including any expenses arising from any "cold comfort" letters or any special audits incident to or required by any registration or qualification), and (v) any liability insurance or other premiums for insurance obtained in connection with Section 1.1 and Section 1.2 hereof, regardless of whether any registration statement is declared effective.

"registration statements" means, as the context requires, a Form F-3 or S-3 or a registration statement on Form F-1 or S-1 under the Securities Act (or any successor registration form under the Securities Act subsequently adopted by the SEC available to an issuer if a Form F-3 or S-3 is not available to such issuer).

"Rule 144" means Rule 144 promulgated under the Securities Act and any successor provision.

"Rule 462(e)" means Rule 462(e) promulgated under the Securities Act and any successor provision.

"SEC" means the U.S. Securities and Exchange Commission.

"Selling Expenses" means all underwriting discounts and commissions payable to underwriters applicable to the sale of Registrable Securities pursuant to Section 1.1 or Section 1.2 hereof.

"Securities Act" means the Securities Act of 1933, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

2. The following terms are defined in the Sections of the Agreement indicated:

INDEX OF TERMS

Term	Section
AAA	Section 5.7(b)
ADSs	Recitals
Agreement	Preamble
Applicable Date	Section 2.2(g)
Company	Preamble
Company Indemnified Parties	Section 3.1
Convertible Notes	Recitals
Convertible Note Purchase Agreement	Recitals
Convertible Notes Registration Rights	Recitals
Holders	Preamble

Holder Indemnified Parties	Section 3.2

Indemnified Party	Section 3.3
Indemnifying Party	Section 3.3
Initiating Holder	Section 1.1(a)
Losses	Section 3.1
Ordinary Shares	Recitals
Purchase Agreement	Recitals
Purchaser	Preamble

EXHIBIT B REGISTRATION RIGHTS

AGREEMENT

JOINDER

The undersigned is executing and delivering this Joinder pursuant to the Registration Rights Agreement dated as of __ (as the same may hereafter be amended, the "Registration Rights Agreement"), among Mynd.ai, Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands (the "Company") and __ ("Holder"). Capitalized terms used herein but not defined shall have the meanings given to them in the Registration Rights Agreement.

By executing and delivering this Joinder to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Registration Rights Agreement as a holder of Registrable Securities in the same manner as if the undersigned were an original signatory to the Registration Rights Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of the __ day of __, __.

Signature of Holder

Print Name of Holder

Address:

Agreed and Accepted as of

MYND.AI, INC.

By:

Its:

Exhibit 4.6

EXECUTION VERSION
CONFIDENTIAL

OMNIBUS AMENDMENT AND WAIVER

This OMNIBUS AMENDMENT AND WAIVER, dated as of October 18, 2023 (this "Omnibus Amendment"), is by and among:

(i) Gravitas Education Holdings, Inc., a Cayman Islands exempted company ("GEHI"), (ii) Bright Sunlight Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of GEHI ("Merger Sub"),

(iii) Best Assistant Education Online Limited, a Cayman Islands exempted company ("Best Assistant"),

(iv) Elmtree Inc., a Cayman Islands exempted company ("eLMTree"),

(v) NetDragon Websoft Holdings Limited, a Cayman Islands exempted company ("NetDragon"),

(vi) Rainbow Companion, Inc., an exempted company incorporated in the Cayman Islands with limited liability (the "Divestiture Purchaser"),

(vii) NetDragon Websoft, Inc., a British Virgin Islands business company and a wholly owned subsidiary of NetDragon ("ND BVI"),

(viii) Joy Year Limited, a British Virgin Islands business company ("Secondary Seller 1"),

(ix) Bloom Star Limited, a British Virgin Islands business company ("Secondary Seller 2"),

(x) Ascendent Rainbow (Cayman) Limited, a company incorporated under the Laws of the Cayman Islands with limited liability ("Secondary Seller 3"),

(xi) Trump Creation Limited, a British Virgin Islands business company ("Secondary Seller 4"), and

(xii) China Growth Capital Limited, a British Virgin Islands business company ("Secondary Seller 5" and together with Secondary Seller 1, Secondary Seller 2, Secondary Seller 3 and Secondary Seller 4, collectively, the "Secondary Sellers" and each, a "Secondary Seller").

The parties to this Omnibus Amendment are collectively referred to as the "Transaction Parties" and individually, a "Transaction Party." Any capitalized term used but not defined herein shall have the meaning ascribed to such term in the applicable Key Transaction Agreements (as defined below).

WHEREAS, GEHI, Merger Sub, Best Assistant, and NetDragon have entered into that certain Agreement and Plan of Merger, dated as of April 18, 2023 (as may be amended or restated, the "Merger Agreement");

WHEREAS, pursuant to Section 7.16(a) of the Merger Agreement, eLMTree has acceded to the terms of the Merger Agreement and joined the Merger Agreement as a "Party" and an "eLMTree Party" thereunder by executing and delivering a Joinder, dated as of August 18, 2023;

WHEREAS, GEHI and the Divestiture Purchaser entered into that certain Share Purchase Agreement, dated as of April 18, 2023 (as may be amended or restated, the "GEHI Divestiture Agreement");

WHEREAS, ND BVI, on the one hand, and the Secondary Sellers, on the other hand, entered into that certain Share Purchase Agreement, dated as of April 18, 2023 (as may be amended or restated, the "GEHI Share Purchase Agreement" and, together with the Merger Agreement and the GEHI Divestiture Agreement, the "Key Transaction Agreements");

WHEREAS, pursuant to Section 8.1(c) of the Merger Agreement, the Completion of CFIUS Process is a condition to the obligations of each of the parties to the Merger Agreement (the "Merger Agreement Parties") to effect the Merger and the other Transactions contemplated under the Merger Agreement;

WHEREAS, as of the date hereof, the Principal Parties (as defined under the Merger Agreement) have reasonably determined that the Completion of CFIUS Process may not occur by October 18, 2023 (the "Original Outside Date");

WHEREAS, pursuant to Section 6.3(c) of the GEHI Divestiture Agreement, the obligations of the Divestiture Purchaser to consummate the "Closing" (as defined under the GEHI Divestiture Agreement) under the GEHI Divestiture Agreement (the "Divestiture Closing") is subject to the condition that the "Closing" (as defined under the Merger Agreement) under the Merger Agreement (the "Merger Closing") shall occur substantially simultaneously with the Divestiture Closing (such condition, the "Divestiture/Merger Concurrent Closing Condition");

WHEREAS, pursuant to Section 5.1(b)(ii) of the GEHI Share Purchase Agreement, the obligation of each party to the GEHI Share Purchase Agreement to consummate the "Closing" (as defined under the GEHI Share Purchase Agreement) under the GEHI Share Purchase Agreement (the "Secondary Sale Closing") is subject to the condition that the Merger Closing shall have occurred substantially simultaneously with the Secondary Sale Closing (such condition, the "Secondary Sale/Merger Concurrent Closing Condition");

WHEREAS, Section 9.1(b) of the Merger Agreement provides that, subject to certain exceptions, the Merger Agreement may be terminated at any time prior to the Merger Closing by any Principal Party if the Closing shall not have occurred by the Original Outside Date;

WHEREAS, Section 7.1(b)(i) of the GEHI Divestiture Agreement provides that, subject to certain exceptions, the GEHI Divestiture Agreement may be terminated at any time prior to the

Divestiture Closing by any party to the GEHI Divestiture Agreement if the Divestiture Closing has not occurred on or before the Original Outside Date;

WHEREAS, Section 8.1(a) of the GEHI Share Purchase Agreement provides that, subject to certain exceptions, the GEHI Share Purchase Agreement may be terminated prior to the Secondary Sale Closing at the election of any Secondary Seller with respect to its "Sale Shares" (as defined under the GEHI Share Purchase Agreement) if the Secondary Sale Closing has not occurred on or before the Original Outside Date;

WHEREAS, each Transaction Party desires to continue to be bound by the applicable Key Transaction Agreement(s) to which it is a party and desires to amend or waive certain of the terms and conditions under such Key Transaction Agreement(s);

WHEREAS, pursuant to the terms of the Key Transaction Agreements, including Section 7.13 of the Merger Agreement and Section 5.6 of the GEHI Divestiture Agreement, certain amendments and/or waivers of the terms of the Key Transaction Agreements requires the consent of certain Transaction Parties; and

WHEREAS, each Transaction Party desires to consent to the waivers and amendments set forth herein.

NOW, **THEREFORE**, in consideration of the mutual covenants, agreements and undertakings contained herein, and other good and valuable consideration, and subject to and on the terms and conditions set forth in this Omnibus Amendment, the receipt and sufficiency of which are hereby acknowledged, the Transaction Parties, each intending to be legally bound, hereby agree as follows:

SECTION 1. Outside Date

(a) The phrase "*the date that is six (6) months after the date hereof (the "Outside Date")*" in Section 9.1(b) of the Merger Agreement is hereby deleted in its entirety and replaced with *"January 18, 2024 (the "Outside Date")*".

(b) The phrase "*the Closing has not occurred on or before the date that is six (6) months after the date hereof*" in Section 7.1(b)(i) of the GEHI Divestiture Agreement is hereby deleted in its entirety and replaced with "*the Closing has not occurred on or before January 18, 2024*".

(c) The definition of "Outside Date" under the GEHI Share Purchase Agreement is hereby deleted in its entirety and replaced with "*"Outside Date" means January 18, 2024.*"

SECTION 2. Board Composition

(a) Section 7.14(a) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*GEHI shall take all necessary action prior to the Effective Time such that (i) each director of GEHI in office immediately prior to the Effective Time shall cease to be a director immediately following the Effective Time (including by causing each such*

director to tender an irrevocable resignation as a director, effective as of the Effective Time) and (ii) the GEHI Board, immediately after the Effective Time, shall consist of at least five (5) directors (each, a "GEHI Director"), of which (i) at least three (3) directors will be designated in writing by Best Assistant at least ten (10) Business Days prior to the Closing (each, an "eLMTree Director"), with one eLMTree Director being the chairman of the GEHI Board, and (ii) at least two (2) directors will be Independent Directors, to be designated in writing by Best Assistant at least ten (10) Business Days prior to the Closing."

(b) Section 8.1(j) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*The GEHI Board shall consist of at least two (2) Independent Directors and at least three (3) eLMTree Directors immediately after the Effective Time.*"

SECTION 3. GEHI Share Purchase Agreement. Schedule I to the GEHI Share Purchase Agreement is hereby deleted in its entirety and replaced with the following:

SCHEDULE 1 SCHEDULE OF SELLERS

Name	Sale Shares	Purchase Price ($)
Joy Year Limited	3,033,250	5,334,941
Bloom Star Limited	526,548	926,104
Ascendent Rainbow (Cayman) Limited	3,960,107	6,965,116
Trump Creation Limited	977,284	1,718,867
China Growth Capital Limited	31,255	54,972
Total	8,528,444	15,000,000

SECTION 4. Closing Matters.

(a) Subject to Section 4(c) hereof, the Divestiture Purchaser hereby irrevocably waives the Divestiture/Merger Concurrent Closing Condition as a condition to its obligation to consummate the Divestiture Closing.

(b) Subject to Section 4(c) hereof, each party to the GEHI Share Purchase Agreement hereby irrevocably waives the Secondary Sale/Merger Concurrent Closing Condition as a condition to its obligation to consummate the Secondary Sale Closing.

(c) The Transaction Parties acknowledge and agree that, unless otherwise agreed in writing by all Transaction Parties:

(i) it is expected that the Divestiture Closing shall occur substantially simultaneous with the Secondary Sale Closing and prior to the filing of the Plan of Merger in accordance with the Cayman Companies Act. The Effective Time specified in the Plan of Merger shall be no later than one (1) Business Day after the consummation of the Secondary Sale Closing and the Divestiture Closing;

(ii) upon the terms and subject to the conditions set forth in the Merger Agreement, each Merger Agreement Party shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Merger Agreement Parties in doing, all things necessary, proper or advisable to consummate and make effective the Merger in the manner set forth in Section 4(c)(i) hereof; and

(iii) to the extent the Merger Closing and the Effective Time does not occur within three (3) Business Days after the Secondary Sale Closing and the Divestiture Closing, the applicable Transaction Parties shall take whatever action and execute whatever instruments necessary to unwind the Secondary Sale Closing and the Divestiture Closing, such that: (A) the "Sale Shares" (as defined under the GEHI Divestiture Agreement) shall be returned to GEHI, (B) "Sale Shares" (as defined under the GEHI Share Purchase Agreement) shall be returned to the applicable Secondary Sellers, and (C) the Purchase Price (as defined under the GEHI Share Purchase Agreement) shall be returned to ND BVI.

(d) Exhibit C (Form of Plan of Merger) to the Merger Agreement is hereby deleted in its entirety and replaced with Exhibit A attached hereto.

SECTION 5. Consent. Each Transaction Party hereby consents to the terms of this Omnibus Amendment, including the waivers and amendments contemplated herein, and to the extent the consent of such Transaction Party is required in connection with one or more waivers and/or amendments herein pursuant to the terms of any Key Transaction Agreements, including Section 7.13 of the Merger Agreement and Section 5.6 of the GEHI Divestiture Agreement, such Transaction Party expressly agree that its execution and delivery of this Omnibus Amendment shall constitute consent to such waivers and/or amendments under such Key Transaction Agreements.

SECTION 6. General Provisions.

(a) Except as expressly provided herein, nothing in this Omnibus Amendment shall be deemed to constitute a waiver of compliance by any Transaction Party with respect to any other term, provision or condition of the Key Transaction Agreements or shall be deemed or construed to amend, supplement or modify the Key Transaction Agreements or otherwise affect the rights and obligations of any Transaction Party thereto, all of which remain in full force and effect.

(b) This Omnibus Amendment shall be binding upon and shall inure to the benefit of the Transaction Parties and their respective successors and permitted assigns.

(c) This Amendment may be executed and delivered in any number of counterparts, each of which, when so executed, will be deemed an original and all of which taken together will constitute one and the same agreement. Signatures of a Transaction Party which are sent to the other Transaction Parties by e-mail (pdf.) or by facsimile transmission shall be binding as evidence of acceptance to the terms hereof by such Transaction Party.

(d) This Omnibus Amendment, the Key Transaction Agreements and any other documents and instruments and agreements among the Transaction Parties as contemplated hereby

and thereby or referred to herein and therein, constitute the entire agreement among the Transaction Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Transaction Parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

GEHI
GRAVITAS EDUCATION HOLDINGS, INC.
By: ___/s/ Dennis Demiao Zhu_____
Name: Dennis Demiao Zhu Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

MERGER SUB BRIGHT SUNLIGHT LIMITED

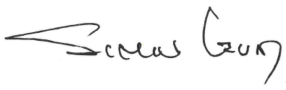
By: _____

Name: Ms. Yanla Shi Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

BEST ASSISTANT

BEST ASSISTANT EDUCATION ONLINE LIMITED



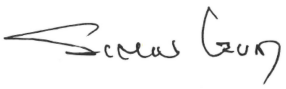
By: _____

Name: LEUNG Lim Kin Simon
Title: Director

[Signature Page to Omnibus Amendment and Waiver]

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

ELMTREE
ELMTREE INC.

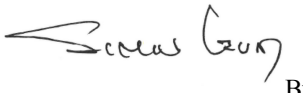


By: _____
Name: LEUNG Lim Kin Simon
Title: Director

[Signature Page to Omnibus Amendment and Waiver]

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

NETDRAGON WEBSOFT HOLDINGS LIMITED



By: _____

Name: LEUNG Lim Kin Simon

Title: Director

[Signature Page to Omnibus Amendment and Waiver]

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

DIVESTITURE PURCHASER RAINBOW COMPANION, INC.

By: _____

Name: MENG Liang
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

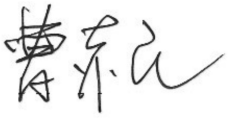
ND BVI
NETDRAGON WEBSOFT, INC.

By: _____ _____

Name: LIU Dejian
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 1 JOY YEAR LIMITED



By: _____

Name: Mr. Chimin Cao Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 2 BLOOM STAR LIMITED

By: _____
Name: Ms. Yanlai Shi Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 3
ASCENDENT RAINBOW (CAYMAN) LIMITED

By: _____

Name: MENG Liang
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 4 TRUMP CREATION LIMITED

By: _____

Name: Ms. Hongmei Cao Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 5
CHINA GROWTH CAPITAL LIMITED

By: Ning Tang

Name: Mr. Ning Tang
Title: Director

Exhibit 4.7

EXECUTION VERSION CONFIDENTIAL

SECOND OMNIBUS AMENDMENT AND WAIVER

This SECOND OMNIBUS AMENDMENT AND WAIVER, dated as of December 7, 2023 (this "Omnibus Amendment"), is by and among:

(i) Gravitas Education Holdings, Inc., a Cayman Islands exempted company ("GEHI"),

(ii) Bright Sunlight Limited, a Cayman Islands exempted company and a direct, wholly owned subsidiary of GEHI ("Merger Sub"),

(iii) Best Assistant Education Online Limited, a Cayman Islands exempted company ("Best Assistant"),

(iv) Elmtree Inc., a Cayman Islands exempted company ("eLMTree"),

(v) NetDragon Websoft Holdings Limited, a Cayman Islands exempted company ("NetDragon"),

(vi) Rainbow Companion, Inc., an exempted company incorporated in the Cayman Islands with limited liability (the "Divestiture Purchaser"),

(vii) NetDragon Websoft, Inc., a British Virgin Islands business company and a wholly owned subsidiary of NetDragon ("ND BVI"),

(viii) Joy Year Limited, a British Virgin Islands business company ("Secondary Seller 1"),

(ix) Bloom Star Limited, a British Virgin Islands business company ("Secondary Seller 2"),

(x) Ascendent Rainbow (Cayman) Limited, a company incorporated under the Laws of the Cayman Islands with limited liability ("Secondary Seller 3"),

(xi) Trump Creation Limited, a British Virgin Islands business company ("Secondary Seller 4"),

(xii) China Growth Capital Limited, a British Virgin Islands business company ("Secondary Seller 5" and together with Secondary Seller 1, Secondary Seller 2, Secondary Seller 3 and Secondary Seller 4, collectively, the "Secondary Sellers" and each, a "Secondary Seller"), and

(xiii) Nurture Education Cayman Limited, a company incorporated under the Laws of the Cayman Islands with limited liability ("Nurture Education"); and

(xiv) the other parties to the Deed of Amendment as listed in Schedule 1 (collectively, the "Other Existing ACP Bonds Parties").

The parties to this Omnibus Amendment are collectively referred to as the "Transaction Parties" and individually, a "Transaction Party." Any capitalized term used but not defined herein shall have the meaning ascribed to such term in the applicable Key Transaction Agreements (as defined below).

WHEREAS, GEHI, Merger Sub, Best Assistant, and NetDragon have entered into that certain Agreement and Plan of Merger, dated as of April 18, 2023 (as may be amended or restated, the "Merger Agreement");

WHEREAS, pursuant to Section 7.16(a) of the Merger Agreement, eLMTree has acceded to the terms of the Merger Agreement and joined the Merger Agreement as a "Party" and an "eLMTree Party" thereunder by executing and delivering a Joinder, dated as of August 18, 2023;

WHEREAS, GEHI and the Divestiture Purchaser entered into that certain Share Purchase Agreement, dated as of April 18, 2023 (as may be amended or restated, the "GEHI Divestiture Agreement");

WHEREAS, ND BVI, on the one hand, and the Secondary Sellers, on the other hand, entered into that certain Share Purchase Agreement, dated as of April 18, 2023 (as may be amended or restated, the "GEHI Share Purchase Agreement");

WHEREAS, GEHI, Nurture Education and Best Assistant have entered into that certain Senior Secured Convertible Note Purchase Agreement, dated as of April 18, 2023 (as may be amended or restated, the "Note Purchase Agreement");

WHEREAS, Best Assistant, NetDragon, ND BVI, Nurture Education and the Other Existing ACP Bonds Parties have entered into that certain Deed of Amendment, Conditional Waiver and Redemption, dated as of April 18, 2023 (as may be amended or restated, the "Deed of Amendment" and, together with the Merger Agreement, the GEHI Divestiture Agreement, the GEHI Share Purchase Agreement and the Note Purchase Agreement, the "Key Transaction Agreements");

WHEREAS, certain of the Transaction Parties have entered into that certain Omnibus Amendment and Waiver, dated as of October 18, 2023 (the "First Omnibus Amendment");

WHEREAS, the parties to the Merger Agreement, the GEHI Share Purchase Agreement, the Note Purchase Agreement and the Deed of Amendment (the "Amended Documents"), as the case may be, desire to amend or waive certain of the terms and conditions under the applicable Amended Document;

WHEREAS, pursuant to the terms of the Key Transaction Agreements, including Section 7.13 of the Merger Agreement and Section 5.6 of the GEHI Divestiture Agreement, certain amendments and/or waivers of the terms and conditions of the Amended Documents require the consent of certain Transaction Parties; and

WHEREAS, each Transaction Party desires to continue to be bound by the applicable Key Transaction Agreement(s) to which it is a party and desires to amend, waive, and/or consent to

such amendments and waivers of, certain of the terms and conditions under the Amended Documents.

NOW, **THEREFORE**, in consideration of the mutual covenants, agreements and undertakings contained herein, and other good and valuable consideration, and subject to and on the terms and conditions set forth in this Omnibus Amendment, the receipt and sufficiency of which are hereby acknowledged, the Transaction Parties, each intending to be legally bound, hereby agree as follows:

SECTION 1. Amendments to the Merger Agreement

(a) Paragraph 5 of the Recitals of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"***WHEREAS**, it is contemplated that upon the Closing, GEHI shall be renamed as "Mynd.ai, Inc." or such other name as determined by the eLMTree Parties (as defined below) in connection with the adoption of the GEHI A&R MAA (as defined below), and shall trade publicly on a Qualified Stock Exchange under a new ticker symbol as designated by Best Assistant;*"

(b) The definition of "Independent Director" is hereby deleted in its entirety and replaced with the following:

"*"Independent Director" means an "independent director" under the applicable listing rules of the Selected Stock Exchange.*"

(c) The following definition is inserted between the definition of "Proxy Statement" and "Receiving Principal Party":

"*"Qualified Stock Exchange" means any of the NYSE, NYSE American and any tier of the Nasdaq Stock Market.*"

(d) Section 5.5(b)(iii) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*(iii) the submission and approval of Listing Application to and by a Qualified Stock Exchange,*"

(e) Section 7.2(a) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*(a) GEHI shall cause the GEHI Ordinary Shares to be issued as the Merger Consideration to be approved for listing on one or more Qualified Stock Exchange.*

eLMTree shall cooperate and shall procure that its Representatives cooperate with GEHI in a timely manner as reasonably requested by GEHI in connection with the application for such listing (the "Listing Application") to be submitted to such Qualified Stock Exchange in accordance with applicable Legal Requirements in connection with the Transactions, including furnishing to GEHI and its Representatives all information concerning itself, its Subsidiaries, officers, directors, managers, shareholders, and other equityholders and information regarding such other matters as may be reasonably necessary or as may be reasonably requested in connection with the Listing Application.

In furtherance of the foregoing, eLMTree hereby consents to deliver to GEHI such financial statements as may be required to be included the Listing Application."

(f) Section 7.2(b) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*(b) From the date hereof through the Closing, GEHI shall ensure that GEHI remains listed as a public company on the NYSE, except as disclosed in the letter dated May 8, 2023 from NYSE (the "Letter") notifying GEHI that it is below compliance standards due to GEHI's total market capitalization and stockholders' equity, in compliance with any applicable NYSE rules and regulations, and that the ADSs remain listed on the NYSE; provided, that on the day in which the Effective Time occurs, GEHI shall be listed as a public company on the Selected Stock Exchange, and that the ADSs shall be listed on the Selected Stock Exchange. "Selected Stock Exchange" means a Qualified Stock Exchange that has approved the Listing Application submitted to it, provided that, to the extent multiple Qualified Stock Exchanges have approved the Listing Application, the Selected Stock Exchange shall be such Qualified Stock Exchange as mutually agreed by Best Assistant and GEHI in good faith."*

(g) Section 7.14(c) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*(c) The parties acknowledge that so long as GEHI remains a public reporting company, the GEHI Board will continue to satisfy applicable securities laws and the applicable listing rules of any Qualified Stock Exchange on which it is listed, including maintaining an independent audit committee. GEHI shall enter into an indemnification agreement with each member of the GEHI Board, on a form to be determined by Best Assistant in good faith, within fifteen (15) days of the appointment of the applicable members of the GEHI Board.*"

(h) Section 8.1(e) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*(e) The approval of the Selected Stock Exchange of the Listing Application submitted by GEHI shall have been obtained.*"

(i) Section 8.1(f) of the Merger Agreement is hereby deleted in its entirety and replaced with the following:

"*(f) No general suspension or material limitation of trading in the ADSs has been imposed or threatened by the SEC or the NYSE (except for the threatened suspension as disclosed on the Form 6-K filed with the SEC on April 20, 2022 and the Letter, or in connection with the Holding Foreign Companies Accountable Act).*

SECTION 2. Amendments to the GEHI Share Purchase Agreement

(a) Section 5.3(d) of the GEHI Share Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"*(d) Trading in the ADSs has not been, or been threatened to be, suspended by the SEC or the New York Stock Exchange (except for the threatened suspension as disclosed on the Form 6-K filed with the SEC on April 20, 2022 and the letter dated May 8, 2023 from New York Stock Exchange notifying the Company that it is below compliance standards due to Company's total market capitalization and stockholders' equity, or in connection with the Holding Foreign Companies Accountable Act).*"

(b) Without prejudice to Section 4(c)(iii) of the First Omnibus Amendment, ND BVI hereby irrevocably waives the condition set forth in Section 5.3(e) of the GEHI Share Purchase Agreement.

SECTION 3. Amendments to the Deed of Amendment

(a) The definitions of "Listco" under Clause 5(i)(a) and Section 10.1 (*Definitions*) of Appendix 2 (*Amended and Restated Bond Certificate*) of the Deed of Amendment are hereby deleted and replaced with the following:

"*"Listco" means Gravitas Education Holdings Inc., an exempted company with limited liability organized and existing under the laws of the Cayman Islands and listed on a Qualified Stock Exchange*."

(b) The following definition is inserted under Clause 5(i)(a) of the Deed of Amendment after the definition of "New York Stock Exchange" and under Section 10.1 (*Definitions*) of Appendix 2 (*Amended and Restated Bond Certificate*) of the Deed of Amendment after the definition "PRC GAAP":

"*"Qualified Stock Exchange" means any of the New York Stock Exchange, NYSE American or any tier of the Nasdaq Stock Market."*

(c) The reference to "The New York Stock Exchange" in Section 4.2 (*Exchange Procedures*) of Appendix 2 (*Amended* and *Restated Bond Certificate*) of the Deed of Amendment,

Conditional Waiver and Redemption shall be deleted and replaced with "*the Qualified Stock Exchange on which the Listco is listed*".

SECTION 4. Amendments to the Note Purchase Agreement

(a) Section 4.8 (No Consents) of the Note Purchase Agreement is hereby deleted in its entirety and replaced with the following:
"*Except to the extent set forth in Section 4.8 of Company Disclosure Letter and except for the BOA Consent, no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement or any other Bond Document, except such as may be required by the federal and state securities laws of the United States and the Selected Stock Exchange (as defined under the Merger Agreement) in connection with the offer and issuance of the Notes*."

(b) Section 4.24 (Listing and Maintenance Requirements) of the Note Purchase Agreement is hereby deleted in its entirety and replaced with the following:
"*As of the Closing, the ADSs are registered pursuant to Section 12(b) of the Exchange Act and are listed on the Selected Stock Exchange, and the Company has taken no action designed to terminate the registration of the ADSs under the Exchange Act or delist the ADSs from the Selected Stock Exchange, and except as disclosed in Section 4.24 of the Company Disclosure Letter, nor has the Company received any notification that either the SEC or the Selected Stock Exchange is contemplating terminating such registration or listing. The Conversion ADSs will be duly authorized for listing on a Qualified Stock Exchange (as defined under the Merger Agreement) immediately upon (i) conversion of each Note in accordance with the terms of each Note and (ii) the issuance of the ADSs by the Depositary following the deposit of the Underlying Shares.*"

(c) Section 5.2 (Supplemental Listing Application) of the Note Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"*Within 30 days following the Closing Date, to the extent required, the Company shall file with the Qualified Stock Exchange on which it is listed then a supplemental listing application or notification form (as applicable) reflecting the transactions contemplated hereby."*

(d) Section 5.3 (Listing of Shares; Certificates) of the Note Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"*The Company covenants that all Conversion ADSs will, at all times that any Note is convertible, be duly approved for listing subject to official notice of issuance on a Qualified Stock Exchange. The Company covenants that the certificates, if any, representing the ADRs to be issued to evidence any Conversion ADSs issued upon conversion of Notes will comply with applicable law*."

(e) The definitions of "Exchange" under Article I (*Defined Terms*) of Exhibit B (*Form of Convertible Promissory Note*) of the Note Purchase Agreement is hereby deleted and replaced with the following:

""Exchange" means a Qualified Stock Exchange."

(f) The following definition is inserted under Article I (*Defined Terms*) of Exhibit B (*Form of Convertible Promissory Note*) of the Note Purchase Agreement after the definition of "Purchaser", and under Section 1.2 of Exhibit C (*Form of Share Charge Agreement*) of the Note Purchase Agreement after "Qualified Equity Financing":

"*"Qualified Stock Exchange" means any of the New York Stock Exchange, NYSE American or any tier of the Nasdaq Stock Market."*

(g) The definitions of "NYSE" under Article I (*Defined Terms*) of Exhibit B (*Form of Convertible Promissory Note*) of the Note Purchase Agreement is hereby deleted in its entirety.

(h) The reference to "the NYSE" in definition of "Fundamental Change" under Article I (*Defined Terms*) of Exhibit B (*Form of Convertible Promissory Note*) of the Note Purchase Agreement, Section 5.1(a) and Section 6.5(c) of Exhibit B (*Form of Convertible Promissory Note*) of the Note Purchase Agreement are hereby deleted and replaced with "*a Qualified Stock Exchange*".

(i) The reference to "the New York Stock Exchange" in Sections 5.3(d) and Section 5.3(i) of Exhibit B (*Form of Convertible Promissory Note*) of the Note Purchase Agreement is hereby deleted and replaced with "*a Qualified Stock Exchange*".

(j) The definition of "Security Period" under Section 1.2 of Exhibit C (*Form of Share Charge Agreement*) of the Note Purchase Agreement is hereby deleted and replaced with the following:

*"**Security Period**" means the period beginning on the Effective Time and ending on the earliest to occur of:*

(a) the date on which (i) all Notes issued pursuant to the Bond Documents have beenconverted and all Ordinary Shares or ADSs issued upon such conversion shall have been made eligible for listing on a Qualified Stock Exchange in accordance with the terms of the Bond Documents (provided that such eligibility need not be available if at the time of such conversion the Ordinary Shares or ADSs are not then tradeable under Rule 144 (or any other exemption from registration) under the Securities Act of 1933 (as amended from time to time) without limitation on the amount of securities sold or the manner of sale), and (ii) the Issuer shall have received the cash proceeds of a Qualified Equity Financing; or

(b) the later to occur of: (i) the Maturity Date with respect to the Notes; and (ii) the dateon which all obligations of the Issuer pursuant to the Bond Documents are paid in full or otherwise fully satisfied (other than inchoate indemnity obligations)."

(k) To the extent not specified elsewhere in this Section 4, other necessary amendments, if any, shall be made to the Bond Documents (as defined in the Note Purchase Agreement)

to be executed among relevant parties to reflect that GEHI will be listed on a Qualified Stock Exchange.

SECTION 5. Consent. Each Transaction Party hereby consents to the terms of this Omnibus Amendment, including the waivers and amendments contemplated herein, and to the extent the consent of such Transaction Party is required in connection with one or more waivers and/or amendments herein pursuant to the terms of any Key Transaction Agreements, including Section 7.13 of the Merger Agreement and Section 5.6 of the GEHI Divestiture Agreement, such
Transaction Party expressly agree that its execution and delivery of this Omnibus Amendment shall constitute consent to such waivers and/or amendments under such Key Transaction Agreements.

SECTION 6. General Provisions.

(a) Except as expressly provided herein, nothing in this Omnibus Amendment shall be deemed to constitute a waiver of compliance by any Transaction Party with respect to any other term, provision or condition of the Key Transaction Agreements or shall be deemed or construed to amend, supplement or modify the Key Transaction Agreements or otherwise affect the rights and obligations of any Transaction Party thereto, all of which remain in full force and effect. In particular, the parties to the Deed of Amendment agree that the provisions of the Purchase Agreement, the Bond Certificate (including the
Conditions attached thereto) and other Transaction Documents (each as defined under the Deed of Amendment) shall, save as expressly amended by this Omnibus Agreement, continue in full force and effect.

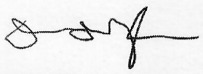
(b) This Omnibus Amendment shall be binding upon and shall inure to the benefit of the Transaction Parties and their respective successors and permitted assigns.

(c) This Amendment may be executed and delivered in any number of counterparts, each of which, when so executed, will be deemed an original and all of which taken together will constitute one and the same agreement. Signatures of a Transaction Party which are sent to the other Transaction Parties by e-mail (pdf.) or by facsimile transmission shall be binding as evidence of acceptance to the terms hereof by such Transaction Party.

(d) This Omnibus Amendment, the Key Transaction Agreements and any other documents and instruments and agreements among the Transaction Parties as contemplated hereby and thereby or referred to herein and therein, constitute the entire agreement among the Transaction Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Transaction Parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

GEHI
GRAVITAS EDUCATION HOLDINGS, INC.



By: _____
Name: Dennis Demiao Zhu
Title: Director

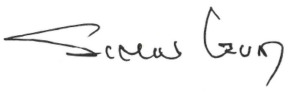
IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

MERGER SUB
BRIGHT SUNLIGHT LIMITED

By: _____
Name: SHI Yanlai
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

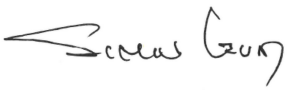
BEST ASSISTANT
BEST ASSISTANT EDUCATION ONLINE LIMITED



By: _____
Name: Leung Lim Kin Simon Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

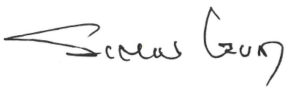
ELMTREE
ELMTREE INC.



By: _____
Name: Leung Lim Kin Simon Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

NETDRAGON
NETDRAGON WEBSOFT HOLDINGS LIMITED



By: _____

Name: LEUNG Lim Kin Simon
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

DIVESTITURE PURCHASER RAINBOW COMPANION, INC.

By: _____

Name: Liang Meng
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

ND BVI NETDRAGON WEBSOFT,INC.

By: _____
Name: LIU Dejian Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 1
JOY YEAR LIMITED

By: _____
Name: CAO Chimin
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 2
BLOOM STAR LIMITED

By: _____
Name: SHI Yanlai
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 3: ASCENDENT RAINBOW (CAYMAN) LIMITED

By: _____

Name: Liang Meng
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 4
TRUMP CREATION LIMITED

By: _____
Name: CAO Hongmei
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

SECONDARY SELLER 5
CHINA GROWTH CAPITAL LIMITED

By:
Name: Mr. Ning Tang
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

NURTURE EDUCATION NURTURE EDUCATION CAYMAN LIMITED

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

By: _____

Name: Liang Meng
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

OTHER EXISTING ACP BONDS PARTIES

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

By: _____
Name: Liu Dejian

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

OTHER EXISTING ACP BONDS PARTIES

Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

PROMETHEAN WORLD LIMITED

By: 
Name: Allyson G. Krau
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

OTHER EXISTING ACP BONDS PARTIES

PROMETHEAN LIMITED

By: 
Name: Allyson G. Krause
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

CHALKFREE LIMITED

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

OTHER EXISTING ACP BONDS PARTIES

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

By: _____
Name: Liu Dejian
Title: Director

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

OTHER EXISTING ACP BONDS PARTIES

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

OTHER EXISTING ACP BONDS PARTIES PROMETHEAN (HOLDINGS) LIMITED

By: 
Name: Allyson G. Krau
Title: Director

[Signature Page to the Second Omnibus Amendment and Waiver]

IN WITNESS WHEREOF, the Transaction Parties have duly executed this Omnibus Amendment as of the date first written above.

MADISON PACIFIC TRUST LIMITED

By: _____
Name: Holly Jocelyn Hamilton
Title: Director

Schedule 1 Other Existing ACP Bonds Parties

1. Digital Train Limited, a company duly incorporated with limited liability under the Laws of the British Virgin Islands, a wholly owned Subsidiary of the Company;
2. Promethean World Limited, a company incorporated under the Laws of the United Kingdom, a wholly owned Subsidiary of Digital Train;
3. Promethean Limited, a company incorporated under the Laws of the United Kingdom;
4. Chalkfree Limited, a company incorporated under the Laws of the United Kingdom;
5. Elernity Limited, a company incorporated with limited liability under the laws of Hong Kong;
6. Promethean (Holdings) Limited, a company incorporated under the Laws of the United Kingdom; and
7. Madison Pacific Trust Limited as agent of the Finance Parties and as security agent for the Secured Parties (each as defined under the Deed of Amendment, Conditional Waiver and Redemption).

Exhibit 4.8

Execution Copy

LOAN AND SECURITY AGREEMENT

Dated as of June 25, 2018

PROMETHEAN WORLD LIMITED,

as Parent and

PROMETHEAN INC., and

PROMETHEAN LIMITED,

as Borrowers

BANK OF AMERICA, N.A.,

as Agent

BANK OF AMERICA, N.A.,

as Sole Lead Arranger and Sole Bookrunner

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Schedule 10.2.17 Existing Affiliate Transactions

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is dated as of June 25, 2018, among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.", and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

R E C I T A L S:

Borrowers have requested that Lenders provide a credit facility to Borrowers to finance their mutual and collective business enterprise. Lenders are willing to provide the credit facility on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for valuable consideration hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS; RULES OF CONSTRUCTION

1.1 Definitions. As used herein, the following terms have the meanings set forth below:

Account Debtor Approved Countries: the (i) United States, (ii) Canada, (iii) any member state of the European Union as of April 30, 2004, (iv) Hong Kong, (v) New Zealand, (vi) Norway, (vii) Singapore, (viii) Switzerland and (ix) Australia, in each case, together with any state or province or territory thereof (as applicable); provided, that during the continuance of a Trigger Period, the Agent may, in its Permitted Discretion and as a condition to such jurisdiction remaining an Account Debtor Approved Country, require that Borrowers provide local law security documentation in respect of Accounts of Account Debtors organized outside of the jurisdiction of organization of such Borrowers to ensure that the Agent has a duly perfected and enforceable Lien under the applicable law of such jurisdiction.

Acquisition: a transaction or series of transactions resulting in (a) acquisition of a business, division or substantially all assets of a Person; (b) record or beneficial ownership of 50% or more of the Equity Interests of a Person; or (c) merger, amalgamation, consolidation or combination of a Borrower or Subsidiary with another Person.

Affiliate: with respect to a specified Person, any other Person that directly, or indirectly through intermediaries, Controls, is Controlled by or is under common Control with the specified Person.

Agent Indemnitees: Agent and its officers, branches, directors, employees, Affiliates, agents and attorneys.

Agent Professionals: attorneys, accountants, appraisers, auditors, business valuation experts, environmental engineers or consultants, turnaround consultants, and other professionals and experts retained by Agent.

Agreement Currency: as defined in **Section 1.5**. Allocable Amount: as defined in **Section**

5.11.3.

Anti-Terrorism Law: any law relating to terrorism or money laundering, including the Patriot Act.

Applicable Law: all laws, rules, regulations and governmental guidelines applicable to the Person or matter in question, including statutory law, common law and equitable principles, as well as provisions of constitutions, treaties, statutes, rules, regulations, orders and decrees of Governmental Authorities.

Applicable Margin: the margin set forth below, as determined by the trailing 4 Fiscal Quarter EBITDA measured as of the end of the most recently ended Fiscal Quarter:

Level	EBITDA	Base Rate Loans	Foreign Base Rate Loans	LIBOR Revolver Loans
I	> $14,000,000	0.50%	1.50%	1.50%
II	> $10,000,000 ≤ $14,000,000	0.70%	1.70%	1.70%
III	≤ $10,000,000	0.90%	1.90%	1.90%

Until December 31, 2018, margins shall be determined as if Level III were applicable. Thereafter, margins shall be subject to increase or decrease by Agent on the first day of the calendar month following each Fiscal Quarter end. If Agent is unable to calculate EBITDA for a Fiscal Quarter due to Borrowers' failure to deliver any financial statement when required hereunder, then, at the option of Agent or Required Lenders, margins shall be determined as if Level III were applicable until the first day of the calendar month following its receipt.

Approved Fund: any entity that is owned or Controlled by a Lender or Affiliate of a Lender, and is engaged in making or investing in commercial loans in its ordinary course of activities.

Asset Disposition: a sale, lease, license, consignment, transfer or other disposition of Property of an Obligor, including any disposition in connection with a sale-leaseback transaction or synthetic lease.

Assignment: an assignment agreement between a Lender and Eligible Assignee, in the form of **Exhibit A** or otherwise satisfactory to Agent.

Available Currency: with respect to Promethean U.S., Dollars and with respect to Promethean U.K., Dollars, Sterling and Euro.

Availability: the Borrowing Base minus Revolver Usage.

Availability Reserve: the sum (without duplication) of (a) the Rent and Charges Reserve; (b) the Bank Product Reserve; (c) the aggregate amount of liabilities secured by Liens upon Collateral that are or may be senior to Agent's Liens (but imposition of any such reserve shall not waive an Event of Default arising therefrom); (d) the Dilution Reserve; (e) the U.K. Priority Payables Reserve; and (e) such additional reserves, in such amounts and with respect to such matters, as Agent in its Permitted Discretion may elect to impose from time to time.

Bail-In Action: the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

Bail-In Legislation: with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

Bank of America Indemnitees: Bank of America and its officers, directors, employees, Affiliates, branches, agents and attorneys.

Bank Product: any of the following products or services extended to a Borrower or Affiliate of a Borrower by a Lender or any of its Affiliates: (a) Cash Management Services; (b) products under Hedging Agreements; (c) commercial credit card and merchant card services; and (d) leases and other banking products or services, other than Letters of Credit.

Bank Product Reserve: the aggregate amount of reserves established by Agent from time to time in its discretion with respect to Secured Bank Product Obligations.

Bankruptcy Code: Title 11 of the United States Code.

Base Rate: for any day, a per annum rate equal to the greater of (a) the Prime Rate for such day; (b) the Federal Funds Rate for such day, plus 0.50%; or (c) LIBOR for a 30 day interest period as of such day, plus 1.0%; provided, that in no event shall the Base Rate be less than zero.

Base Rate Loan: any Revolver Loan extended to Promethean U.S. that bears interest based on the Base Rate.

Board of Governors: the Board of Governors of the Federal Reserve System.

Borrowed Money: with respect to any Obligor, without duplication, its (a) Debt that (i) arises from the lending of money by any Person to such Obligor, (ii) is evidenced by notes, drafts, bonds, debentures, credit documents or similar instruments, (iii) accrues interest or is a type upon which interest charges are customarily paid (excluding trade payables owing in the Ordinary Course of Business), or (iv) was issued or assumed as full or partial payment for Property; (b) Capital Leases; (c) letter of credit reimbursement obligations; and (d) guaranties of any of the foregoing owing by another Person.

Borrower Agent: as defined in **Section 4.4**.

Borrower DTTP Filing: an HM Revenue & Customs' Form DTTP2 duly completed and filed by the relevant Borrower, which:

(i) where it relates to a Treaty Lender that is a Party on the date of this Agreement, contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender's name in the signature pages of this Agreement, and, is filed with HM Revenue & Customs within 30 days of the date of this Agreement;

(ii) where it relates to a Treaty Lender that is becomes a Party after the day on which this Agreement is entered into, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the Assignment or other documentation which it executes on becoming a Party as a Lender; and, is filed with HM Revenue & Customs within 30 days of that date.

Borrower Materials: Borrowing Base Reports, Compliance Certificates and other information, reports, financial statements and other materials delivered by Borrowers hereunder, as well as other Reports and information provided by Agent to Lenders.

Borrowing: a group of Revolver Loans that are made or converted together on the same day and have the same interest option and, if applicable, Interest Period.

Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the aggregate Revolver Commitments; or (b) the sum of the U.K. Borrowing Base, plus the U.S. Borrowing Base.

Borrowing Base Report: a report of the Borrowing Base, in form and substance satisfactory to Agent.

Business Day: any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, Wisconsin or Oregon (or if such day relates to (i) any Revolver Loan made to Promethean U.K. in Sterling, other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, London, England, (ii) any Revolver Loan denominated in Euro, any day which is not a TARGET Day, and
(iii) a LIBOR Loan, any such day on which dealings in Dollar deposits are conducted in the London interbank market).

Capital Expenditures: all liabilities incurred or expenditures made by a Borrower or Subsidiary for the acquisition of fixed assets, or any improvements, replacements, substitutions or additions thereto with a useful life of more than one year.

Capital Lease: any lease required to be capitalized for financial reporting purposes in accordance with IFRS.

Cash Collateral: cash delivered to Agent to Cash Collateralize any Obligations, and all interest, dividends, earnings and other proceeds relating thereto.

Cash Collateralize: the delivery of cash to Agent, as security for the payment of Obligations, in an amount equal to (a) with respect to LC Obligations, 105% of the aggregate LC

Obligations, and (b) with respect to any inchoate, contingent or other Obligations (including Secured Bank Product Obligations), Agent's good faith estimate of the amount due or to become due, including fees, expenses and indemnification hereunder. "Cash Collateralization" has a correlative meaning.

Cash Equivalents: (a) marketable obligations issued or unconditionally guaranteed by, and backed by the full faith and credit of, the U.S. government, maturing within 12 months of the date of acquisition; (b) certificates of deposit, time deposits and bankers' acceptances maturing within 12 months of the date of acquisition, and overnight bank deposits, in each case which are issued by Bank of America or a commercial bank organized under the laws of the United States or any state or district thereof, rated A-1 (or better) by S&P or P-1 (or better) by Moody's at the time of acquisition, and (unless issued by a Lender) not subject to offset rights; (c) repurchase obligations with a term of not more than 30 days for underlying investments of the types described in clauses
(a) and (b) entered into with any bank described in clause (b); (d) commercial paper issued by Bank of America or rated A-1 (or better) by S&P or P-1 (or better) by Moody's, and maturing within nine months of the date of acquisition; and (e) shares of any money market fund that has substantially all of its assets invested continuously in the types of investments referred to above, has net assets of at least $500,000,000 and has the highest rating obtainable from either Moody's or S&P.

Cash Management Services: services relating to operating, collections, payroll, trust, or other depository or disbursement accounts, including automated clearinghouse, e-payable, electronic funds transfer, wire transfer, controlled disbursement, overdraft, depository, information reporting, lockbox and stop payment services.

CERCLA: the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 et seq.).

CFC means a Person that is a controlled foreign corporation under Section 957 of the Code. CFC Holding Company means each

Subsidiary organized under the laws of the United

States or any political subdivision thereof that is treated as a partnership or a disregarded entity for United States federal income tax purposes and that has no material assets other than assets that consist (directly or indirectly through disregarded entities or partnerships) of Equity Interests or Debt (as determined for United States federal income tax purposes) in one or more CFCs.

Chalkfree: Chalkfree Limited, a company incorporated in England and Wales with company number 05227933.

Change in Law: the occurrence, after the date hereof, of (a) the adoption, taking effect or phasing in of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof; or (c) the making, issuance or application of any request, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided, that "Change in Law" shall include, regardless of the date enacted, adopted or issued, all requests, rules, guidelines, requirements or directives (i) under or relating to the Dodd-Frank Wall Street Reform and Consumer Protection Act, or (ii) promulgated pursuant to Basel III by the Bank for International Settlements, the Basel Committee

on Banking Supervision (or any similar authority) or any other Governmental Authority including CRD IV.

Change of Control: (a) NetDragon Websoft Holdings Limited, organized under the laws of the Cayman Islands, ceases to own and control, beneficially and of record, directly or indirectly, at least 51% Equity Interests in Parent; (b) Parent cease to own and control, beneficially and of record, all of the Equity Interests of each of its direct and indirect Subsidiaries; (c) a change in the majority of directors of Parent during any 24 month period, unless approved by the majority of directors serving at the beginning of such period; or (d) the sale or transfer of all or substantially all assets of a Borrower, except to another Borrower.

Claims: all claims, liabilities, obligations, losses, damages, penalties, judgments, proceedings, interest, costs and expenses of any kind (including remedial response costs, reasonable attorneys' fees and Extraordinary Expenses) at any time (including after Full Payment of the Obligations or replacement of Agent or any Lender) incurred by any Indemnitee or asserted against any Indemnitee by any Obligor or other Person, in any way relating to (a) any Revolver Loans, Letters of Credit, Loan Documents, Borrower Materials, or the use thereof or transactions relating thereto, (b) any action taken or omitted in connection with any Loan Documents, (c) the existence or perfection of any Liens, or realization upon any Collateral, (d) exercise of any rights or remedies under any Loan Documents or Applicable Law, or (e) failure by any Obligor to perform or observe any terms of any Loan Document, in each case including all costs and expenses relating to any investigation, litigation, arbitration or other proceeding (including an Insolvency Proceeding or appellate proceedings), whether or not the applicable Indemnitee is a party thereto.

Closing Date: as defined in **Section 6.1**.

Code: the Internal Revenue Code of 1986, as amended.

Collateral: all Property described in **Section 7.1**, all Property described in any Security Documents as security for any Obligations, and all other Property that now or hereafter secures (or is intended to secure) any Obligations.

Commitment Termination Date: the earliest to occur of (a) the Revolver Termination Date;
(b) the date on which Borrowers terminate the Revolver Commitments pursuant to **Section 2.1.4**; or (c) the date on which the Revolver Commitments are terminated pursuant to **Section 11.2**.

Commodity Exchange Act: the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.).

Compliance Certificate: a certificate, in the form attached as **Exhibit C** hereto and otherwise in form and substance satisfactory to Agent, by which Borrowers certify compliance with **Section 10.3** and calculating Fixed Charge Coverage Ratio regardless of the existence of a Trigger Period.

Connection Income Taxes: Other Connection Taxes that are imposed on or measured by net income (however denominated), or are franchise or branch profits Taxes.

Contingent Obligation: any obligation of a Person arising from a guaranty, indemnity or other assurance of payment or performance of any Debt, lease, dividend or other obligation

("primary obligations") of another obligor ("primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person under any (a) guaranty, endorsement, co- making or sale with recourse of an obligation of a primary obligor; (b) obligation to make take-or- pay or similar payments regardless of nonperformance by any other party to an agreement; and (c) arrangement (i) to purchase any primary obligation or security therefor, (ii) to supply funds for the purchase or payment of any primary obligation, (iii) to maintain or assure working capital, equity capital, net worth or solvency of the primary obligor, (iv) to purchase Property or services for the purpose of assuring the ability of the primary obligor to perform a primary obligation, or (v) otherwise to assure or hold harmless the holder of any primary obligation against loss in respect thereof. The amount of any Contingent Obligation shall be deemed to be the stated or determinable amount of the primary obligation (or, if less, the maximum amount for which such Person may be liable under the instrument evidencing the Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto.

Contribution Notice: a contribution notice issued by the Pensions Regulator under Section 38 or Section 47 of the Pensions Act 2004.

Control: possession, directly or indirectly, of the power to direct or cause direction of a Person's management or policies, whether through the ability to exercise voting power, by contract or otherwise.

CRD IV: (a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

CTA: the Corporation Taxes Act 2009.

CWA: the Clean Water Act (33 U.S.C. §§1251 et seq.).

Debt: as applied to any Person, without duplication, (a) all items that would be included as liabilities on a balance sheet in accordance with IFRS, including Capital Leases, but excluding trade payables incurred and being paid in the Ordinary Course of Business; (b) all Contingent Obligations; (c) all reimbursement obligations in connection with letters of credit issued for the account of such Person; and (d) in the case of a Borrower, the Obligations. The Debt of a Person shall include any recourse Debt of any partnership in which such Person is a general partner or joint venturer.

Default: an event or condition that, with the lapse of time or giving of notice, would constitute an Event of Default.

Default Rate: for any Obligation (including, to the extent permitted by law, interest not paid when due), 2% plus the interest rate otherwise applicable thereto.

Defaulting Lender: any Lender that (a) has failed to comply with its funding obligations hereunder, and such failure is not cured within two Business Days; (b) has notified Agent or any Borrower that such Lender does not intend to comply with its funding obligations hereunder or

under any other credit facility, or has made a public statement to that effect; (c) has failed, within three Business Days following request by Agent or any Borrower, to confirm in a manner satisfactory to Agent and Borrowers that such Lender will comply with its funding obligations hereunder; or (d) has, or has a direct or indirect parent company that has, become the subject of an Insolvency Proceeding (including reorganization, liquidation, or appointment of a receiver, custodian, administrator or similar Person by the Federal Deposit Insurance Corporation or any other regulatory authority) or Bail-In Action; provided, that a Lender shall not be a Defaulting Lender solely by virtue of a Governmental Authority's ownership of an equity interest in such Lender or parent company unless the ownership provides immunity for such Lender from jurisdiction of courts within the United States or from enforcement of judgments or writs of attachment on its assets, or permits such Lender or Governmental Authority to repudiate or otherwise to reject such Lender's agreements.

Delegate: any delegate, agent, attorney, co-trustee, co-collateral agent or separate collateral agent.

Deposit Account Control Agreement: control agreement satisfactory to Agent executed by an institution maintaining a Deposit Account for an Obligor, to perfect Agent's Lien, on such account or its equivalent in any applicable jurisdiction (including, without limitation, any notice and acknowledgment of any Lien granted over such account).

Designated Jurisdiction: a country or territory that is the target of a Sanction.

Dilution Percent: the percent, determined for Borrowers' most recent Fiscal Quarter, equal to (a) bad debt write-downs or write-offs, discounts, returns, promotions, credits, credit memos and other dilutive items with respect to Accounts, divided by (b) gross sales.

Dilution Reserve: a reserve equal to 1.0% of the Value of Eligible Accounts for each percentage point (or portion thereof) that the Dilution Percent exceeds 5%.

Distribution: any declaration or payment of a distribution, interest or dividend on any Equity Interest (other than payment-in-kind); distribution, advance or repayment of Debt to a holder of Equity Interests; or purchase, redemption, or other acquisition or retirement for value of any Equity Interest.

Dollars: lawful money of the United States.

Dominion Account: a separate special account established by Borrowers at Bank of America (including its London branch with respect to Promethean U.K.) or another bank acceptable to Agent, over which Agent has exclusive control for withdrawal purposes at all times with respect to Promethean U.K. and during a Trigger Period with respect to Promethean U.S.

EBITDA: determined on a consolidated basis for Borrowers and Subsidiaries, net income, calculated before interest expense, provision for income taxes, depreciation and amortization expense, gains or losses arising from the sale of capital assets, gains arising from the write-up of assets, and any extraordinary gains and losses (in each case, to the extent included in determining net income).

EEA Financial Institution: (a) any credit institution or investment firm established in an EEA Member Country that is subject to the supervision of an EEA Resolution Authority; (b) any entity established in an EEA Member Country that is a parent of an institution described in clause
(a) above; or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in the foregoing clauses and is subject to consolidated supervision with its parent.

EEA Member Country: any of the member states of the European Union, Iceland, Liechtenstein and Norway.

EEA Resolution Authority: any public administrative authority or any Person entrusted with public administrative authority of an EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

Eligible Account: an Account owing to a Borrower that arises in the Ordinary Course of Business from the sale of goods or rendition of services**,** is payable in Available Currency and is deemed by Agent, in its Permitted Discretion, to be an Eligible Account. Without limiting the foregoing, no Account shall be an Eligible Account if (a) it is unpaid for more than 60 days after the original due date, or more than 120 days after the original invoice date; (b) 50% or more of the Accounts owing by the Account Debtor are not Eligible Accounts under the foregoing clause; (c) when aggregated with other Accounts owing by the Account Debtor and its Affiliates to a Borrower, it exceeds 15% of the aggregate Eligible Accounts of such Borrower; provided, that such percentage with respect to Accounts owed to Promethean U.S. by [Synnex] and its Affiliates shall be 60% of the aggregate Eligible Accounts of Promethean U.S. and with respect to Accounts owed to Promethean U.K. by [Tech Data] and its Affiliates shall be 75% of the aggregate Eligible Accounts of Promethean U.K. (excluding those owed by Thiemstone Limited), or, in all instances, such other percentage as Agent may establish for any Account Debtor from time to time; (d) it does not conform with a covenant or representation herein; (e) it is owing by a creditor or supplier, or is otherwise subject to a potential offset, counterclaim, dispute, deduction, discount, recoupment, reserve, defense, chargeback, credit or allowance (but ineligibility shall be limited to the amount thereof); (f) an Insolvency Proceeding has been commenced by or against the Account Debtor; or the Account Debtor has failed, has suspended or ceased doing business, is liquidating, dissolving or winding up its affairs, is not Solvent, or is the target of any Sanction or on any specially designated nationals list maintained by OFAC; or the Borrower is not able to bring suit or enforce remedies against the Account Debtor through judicial process; (g) the Account Debtor is organized or has its principal offices or assets outside of an Account Debtor Approved Country, unless the Account is supported by a letter of credit, bank guarantee (delivered to and directly drawable by Agent other than the UBS Bank Guaranty which at any time prior to December 31, 2018 may be solely drawable by Borrower) or credit insurance satisfactory in all respects to Agent (provided that such eligibility shall be limited to the amount of the letter of credit, bank guaranty or credit insurance); (h) it is owing by a Governmental Authority, unless the Account Debtor is the United States or any department, agency or instrumentality thereof and the Account has been assigned to Agent in compliance with the federal Assignment of Claims Act; provided that Accounts owed by K-12 school districts in the United States shall not be deemed ineligible under this clause (h), (i) it is not subject to a duly perfected, first priority Lien in favor of Agent, or is subject to any other Lien; (j) the goods giving rise to it have not been delivered to the Account Debtor, the services giving rise to it have not been accepted by the Account Debtor, or it otherwise

does not represent a final sale; (k) it is evidenced by Chattel Paper or an Instrument of any kind, or has been reduced to judgment; (l) its payment has been extended or the Account Debtor has made a partial payment; (m) it arises from a sale to an Affiliate, from a sale on a cash-on-delivery, bill-and-hold, sale-or-return, sale-on-approval, consignment, or other repurchase or return basis, or from a sale for personal, family or household purposes; (n) it represents a progress billing or retainage, or relates to services for which a performance, surety or completion bond or similar assurance has been issued; or (o) it includes a billing for interest, fees or late charges, but ineligibility shall be limited to the extent thereof. In calculating delinquent portions of Accounts under clauses (a) and (b), credit balances more than 90 days old will be excluded.

Eligible Assignee: (a) (i) a Lender, Affiliate of a Lender or Approved Fund; (ii) an assignee approved by Borrower Agent (which approval shall not be unreasonably withheld or delayed, and shall be deemed given if no objection is made within five Business Days after notice of the proposed assignment) and Agent; or (iii) during an Event of Default, any Person acceptable to Agent in its discretion; and (b) such person is at all times, other than during any Event of Default, a U.K. Qualifying Lender.

Enforcement Action: any action to enforce any Obligations (other than Secured Bank Product Obligations) or Loan Documents or to exercise any rights or remedies relating to any Collateral, whether by judicial action, self-help, notification of Account Debtors, setoff or recoupment, credit bid, deed in lieu of foreclosure, action in an Insolvency Proceeding or otherwise.

Environmental Laws: Applicable Laws (including programs, permits and guidance promulgated by regulators) relating to public health (other than occupational safety and health regulated by OSHA or similar foreign Governmental Authority) or the protection or pollution of the environment, including CERCLA, RCRA and CWA and other similar Applicable Law of any foreign jurisdiction.

Environmental Notice: a notice (whether written or oral) from any Governmental Authority or other Person of any possible noncompliance with, investigation of a possible violation of, litigation relating to, or potential fine or liability under any Environmental Law, or with respect to any Environmental Release, environmental pollution or hazardous materials, including any complaint, summons, citation, order, claim, demand or request for correction, remediation or otherwise.

Environmental Release: a release as defined in CERCLA or under any other Environmental Law.

Equity Interest: the interest of any (a) shareholder in a corporation; (b) partner in a partnership (whether general, limited, limited liability or joint venture); (c) member in a limited liability company; or (d) other Person having any other form of equity security or ownership interest.

ERISA: the Employee Retirement Income Security Act of 1974.

ERISA Affiliate: any trade or business (whether or not incorporated) under common control with an Obligor within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

ERISA Event: (a) a Reportable Event with respect to a Pension Plan; (b) withdrawal of an Obligor or ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) complete or partial withdrawal of an Obligor or ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) filing of a notice of intent to terminate, treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or institution of proceedings by the PBGC to terminate a Pension Plan; (e) determination that a Pension Plan is considered an at-risk plan or a plan in critical or endangered status under the Code or ERISA; (f) an event or condition that constitutes grounds under Section 4042 of ERISA for termination of, or appointment of a trustee to administer, any Pension Plan; (g) imposition of any liability on an Obligor or ERISA Affiliate under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA; or (h) failure by an Obligor or ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or to make a required contribution to a Multiemployer Plan.

EU Bail-In Legislation Schedule: the EU Bail-In Legislation Schedule published by the Loan Market Association, as in effect from time to time.

Euro: the single currency of the Participating Member States. Event of Default: as defined in **Section 11**.

Excluded Swap Obligation: with respect to an Obligor, each Swap Obligation as to which, and only to the extent that, such Obligor's guaranty of or grant of a Lien as security for such Swap Obligation is or becomes illegal under the Commodity Exchange Act because the Obligor does not constitute an "eligible contract participant" as defined in the act (determined after giving effect to any keepwell, support or other agreement for the benefit of such Obligor and all guarantees of Swap Obligations by other Obligors) when such guaranty or grant of Lien becomes effective with respect to the Swap Obligation. If a Hedging Agreement governs more than one Swap Obligation, only the Swap Obligation(s) or portions thereof described in the foregoing sentence shall be Excluded Swap Obligation(s) for the applicable Obligor.

Excluded Taxes: (a) Taxes imposed on or measured by a Recipient's net income (however denominated), franchise Taxes and branch profits Taxes (i) as a result of such Recipient being organized under the laws of, or having its principal office or applicable Lending Office located in, the jurisdiction imposing such Tax, or (ii) constituting Other Connection Taxes; (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of a Lender with respect to its interest in a Revolver Loan or Revolver Commitment pursuant to a law in effect when the Lender acquires such interest (except pursuant to an assignment request by Borrower Agent under **Section 13.4**) or changes its Lending Office, unless the Taxes were payable to its assignor immediately prior to such assignment or to the Lender immediately prior to its change in Lending

Office; (c) Taxes attributable to a Recipient's failure to comply with **Section 5.10**; and (d) U.S. federal withholding Taxes imposed pursuant to FATCA and (e) any U.S. federal backup withholding imposed pursuant to Section 3406 of the Code.

Extraordinary Expenses: all costs, expenses or advances that Agent may incur during a Default or Event of Default, or during the pendency of an Insolvency Proceeding of an Obligor, including those relating to (a) any audit, inspection, repossession, storage, repair, appraisal, insurance, manufacture, preparation or advertising for sale, sale, collection, or other preservation of or realization upon any Collateral; (b) any action, arbitration or other proceeding (whether instituted by or against Agent, any Lender, any Obligor, any representative of creditors of an Obligor or any other Person) in any way relating to any Collateral (including the validity, perfection, priority or avoidability of Agent's Liens with respect to any Collateral), Loan Documents, Letters of Credit or Obligations, including any lender liability or other Claims; (c) the exercise of any rights or remedies of Agent in, or the monitoring of, any Insolvency Proceeding;
(d) settlement or satisfaction of taxes, charges or Liens with respect to any Collateral; (e) any Enforcement Action; and (f) negotiation and documentation of any modification, waiver, workout, restructuring or forbearance with respect to any Loan Documents or Obligations. Such costs, expenses and advances include transfer fees, Other Taxes, storage fees, insurance costs, permit fees, utility reservation and standby fees, legal fees, appraisal fees, brokers' and auctioneers' fees and commissions, accountants' fees, environmental study fees, wages and salaries paid to employees of any Obligor or independent contractors in liquidating any Collateral, and travel expenses; provided, notwithstanding the foregoing or anything to the contrary contained herein, Extraordinary Expenses shall include Other Taxes but shall not include any Taxes other than Other Taxes.

FATCA: Sections 1471 through 1474 of the Code (including any amended or successor version if substantively comparable and not materially more onerous to comply with), and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any current or future regulations thereunder or official interpretations thereof, any intergovernmental agreement entered into in connection with the implementation of such Sections of the code and any legislation, law regulation or practice enacted, adopted or promulgated pursuant to such intergovernmental agreement.

FATCA Deduction: a deduction or withholding from a payment under a Loan Document required by FATCA.

Federal Funds Rate: (a) the weighted average per annum interest rate on overnight federal funds transactions with members of the Federal Reserve System on the applicable day (or the preceding Business Day, if the applicable day is not a Business Day), as published by the Federal Reserve Bank of New York on the next Business Day; or (b) if the rate is not so published, the average rate per annum (rounded up to the nearest 1/8 of 1%) charged to Bank of America on the applicable day on such transactions, as determined by Agent; provided, that in no event shall the Federal Funds Rate be less than zero.

Financial Support Direction: a financial support direction issued by the Pensions Regulator under Section 43 of the Pensions Act 2004.

Fiscal Quarter: each period of three months, commencing on the first day of a Fiscal Year.

Fiscal Year: the fiscal year of Parent and Subsidiaries for accounting and tax purposes, ending on December 31 of each year.

Fixed Charge Coverage Ratio: the ratio, determined on a consolidated basis for Parent and Subsidiaries for the most recent 12 months, of (a) EBITDA minus Capital Expenditures (except those financed with Borrowed Money other than Revolver Loans) and cash taxes paid, to (b) Fixed Charges.

Fixed Charges: the sum of interest expense (other than payment-in-kind), principal payments made on Borrowed Money, and Distributions made.

FLSA: the Fair Labor Standards Act of 1938.

Floating Rate Loans: Base Rate Loans and/or Foreign Base Rate Loans, as the context requires.

Flood Laws: the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973 and related laws.

Foreign Base Rate: with respect to Revolver Loans denominated in Euros, Sterling or Dollars that are funded outside the U.S., the sum of (a) LIBOR for a 30 day interest period as in effect on the first day of the current calendar month, and (b) 1.00%; provided, that in no event shall the Foreign Base Rate be less than zero.

Foreign Base Rate Loan: any Revolver Loan extended to Promethean U.K. that bears interest based on the Foreign Base Rate.

Foreign Lender: any Lender that is not a U.S. Person.

Foreign Plan: any employee benefit plan or arrangement (a) maintained or contributed to by any Obligor or Subsidiary that is not subject to the laws of the United States; or (b) mandated by a government other than the United States for employees of any Obligor or Subsidiary.

Fronting Exposure: a Defaulting Lender's interest in LC Obligations, Swingline Loans and Protective Advances, except to the extent Cash Collateralized by the Defaulting Lender or allocated to other Lenders hereunder.

Full Payment: with respect to any Obligations, (a) the full and indefeasible cash payment thereof, including any interest, fees and other charges accruing during an Insolvency Proceeding (whether or not allowed in the proceeding); and (b) if such Obligations are LC Obligations or inchoate or contingent in nature, Cash Collateralization thereof (or delivery of a standby letter of credit acceptable to Agent in its discretion, in the amount of required Cash Collateral). No Revolver Loans shall be deemed to have been paid in full unless all Revolver Commitments related to such Revolver Loans are terminated.

Governmental Approvals: all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and required reports to, all Governmental Authorities.

Governmental Authority: any federal, provincial, state, local, municipal, foreign or other government department, agency, authority, body, commission, board, bureau, court, tribunal, instrumentality, political subdivision, central bank, or other entity or officer exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions for any governmental, judicial, investigative, regulatory or self-regulatory authority, or a province or territory thereof or a foreign entity or government (including the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or European Central Bank).

Guarantor Payment: as defined in **Section 5.11.3**.

Guarantors: Parent, Chalkfree, PHL, and each other Person that guarantees payment or performance of Obligations.

Guaranty: each guaranty agreement executed by a Guarantor in favor of Agent.

Hedging Agreement: a "swap agreement" as defined in Bankruptcy Code Section 101(53B)(A).

IFRS: the International Financial Reporting Standards issued by the International Accounting Standards Board, as in effect from time to time.

Indemnified Taxes: (a) Taxes, other than Excluded Taxes, imposed on or relating to any payment of an Obligation; and (b) to the extent not otherwise described in clause (a), Other Taxes.

Indemnitees: Agent Indemnitees, Lender Indemnitees, Issuing Bank Indemnitees and Bank of America Indemnitees.

Insolvency Proceeding: any case or proceeding commenced by or against a Person under any state, federal or foreign law for, or any agreement of such Person to, (a) the entry of an order for relief under the Bankruptcy Code, or any other insolvency, debtor relief or debt adjustment law; (b) the appointment of a receiver, trustee, liquidator, administrator, conservator or other custodian for such Person or any part of its Property; or (c) an assignment or trust mortgage for the benefit of creditors.

Intellectual Property: all intellectual and similar Property of a Person, including inventions, designs, patents, copyrights, trademarks, service marks, trade names, trade secrets, confidential or proprietary information, customer lists, know-how, software and databases; all embodiments or fixations thereof and all related documentation, applications, registrations and franchises; all licenses or other rights to use any of the foregoing; and all books and records relating to the foregoing.

Intellectual Property Claim: any claim or assertion (whether in writing, by suit or otherwise) that a Borrower's or Subsidiary's ownership, use, marketing, sale or distribution of any

Inventory, Equipment, Intellectual Property or other Property violates another Person's Intellectual Property.

Intercompany Subordination Agreement: that certain Intercompany Subordination Agreement executed by Parent and its Subsidiaries as well as the direct and indirect holders of the Equity Interests of Parent, in favor of Agent, in form and substance satisfactory to Agent, which agreement shall provide that no Obligor shall be required to pay any Debt subject thereto unless the Payment Conditions are satisfied with respect to any such payment.

Interest Period: as defined in **Section 3.1.3**.

Inventory: as defined in the UCC, including all goods intended for sale, lease, display or demonstration; all work in process; and all raw materials, and other materials and supplies of any kind that are or could be used in connection with the manufacture, printing, packing, shipping, advertising, sale, lease or furnishing of such goods, or otherwise used or consumed in a Borrower's business (but excluding Equipment).

Investment: an Acquisition, an acquisition of record or beneficial ownership of any Equity Interests of a Person, or an advance or capital contribution to or other investment in a Person.

IRS: the United States Internal Revenue Service.

Issuing Bank: Bank of America (including any Lending Office of Bank of America), or any replacement issuer appointed pursuant to **Section 2.3.4**.

Issuing Bank Indemnitees: Issuing Bank and its officers, directors, employees, branches, Affiliates, agents and attorneys.

ITA: the Income Tax Act 2007 (U.K.). Judgment Currency: as defined in **Section 1.5**.

LC Application: an application by a Borrower or Borrower Agent to Issuing Bank for issuance of a Letter of Credit, in form and substance satisfactory to Issuing Bank and Agent.

LC Conditions: upon giving effect to issuance of a Letter of Credit, (a) the conditions in **Section 6** are satisfied; (b) total LC Obligations do not exceed the Letter of Credit Subline and Revolver Usage does not exceed the Borrowing Base; (c) the Letter of Credit and payments thereunder are denominated in Available Currency or other currency satisfactory to Agent and Issuing Bank; and (d) the purpose and form of the Letter of Credit are satisfactory to Agent and Issuing Bank in their discretion.

LC Documents: all documents, instruments and agreements (including LC Requests and LC Applications) delivered by Borrowers or any other Person to Issuing Bank or Agent in connection with any Letter of Credit.

LC Obligations: the sum of, without duplication, (a) all amounts owing by Borrowers for drawings under Letters of Credit; and (b) the Stated Amount of all outstanding Letters of Credit.

LC Request: a request for issuance of a Letter of Credit, to be provided by a Borrower or Borrower Agent to Issuing Bank, in form satisfactory to Agent and Issuing Bank.

Lender Indemnitees: Lenders and Secured Bank Product Providers, and their officers, directors, employees, branches, Affiliates, agents and attorneys.

Lenders: lenders party to this Agreement (including Agent in its capacity as provider of Swingline Loans) and any Person who hereafter becomes a "Lender" pursuant to an Assignment, including any Lending Office of the foregoing.

Lending Office: the office (including any domestic or foreign Affiliate or branch) designated as such by Agent, a Lender or Issuing Bank by notice to Borrower Agent and, if applicable, Agent.

Letter of Credit: any standby or documentary letter of credit, foreign guaranty, documentary bankers acceptance, indemnity, reimbursement agreement or similar instrument issued by Issuing Bank for the account or benefit of a Borrower or Affiliate of a Borrower.

Letter of Credit Subline: $5,000,000.

LIBOR: the per annum rate of interest determined by Agent at or about 11:00 a.m. (London time) two Business Days prior to an interest period, or on the first day of the interest period in the case of a Sterling denominated Revolver Loan, in each case for a term equivalent to such period, equal to the London Interbank Offered Rate, or comparable or successor rate approved by Agent, as published on the applicable Reuters screen page (or other commercially available source designated by Agent from time to time); provided, that any comparable or successor rate shall be applied by Agent, if administratively feasible, in a manner consistent with market practice; provided further, that in no event shall LIBOR be less than zero.

LIBOR Loan: each set of LIBOR Revolver Loans having a common length and commencement of Interest Period.

LIBOR Revolver Loan: a Revolver Loan that bears interest based on LIBOR.

License: any license or agreement under which an Obligor is authorized to use Intellectual Property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of Property or any other conduct of its business.

Licensor: any Person from whom an Obligor obtains the right to use any Intellectual Property.

Lien: a Person's interest in Property securing an obligation owed to, or a claim by, such Person, whether such interest is based on common law, statute or contract, including any liens, security interests, mortgages, charges, assignments, pledges, hypothecations, statutory trusts, deemed trusts, reservations, exceptions, encroachments, easements, servitudes, rights-of-way, covenants, conditions, restrictions, leases, and other title exceptions and encumbrances affecting Property.

Lien Waiver: an agreement, in form and substance satisfactory to Agent, by which (a) for any material Collateral located on leased premises, the lessor waives or subordinates any Lien it may have on the Collateral, and agrees to permit Agent to enter upon the premises and remove the Collateral or to use the premises to store or dispose of the Collateral; (b) for any Collateral held by a warehouseman, processor, shipper, customs broker or freight forwarder, such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any Documents in its possession relating to the Collateral as agent for Agent, and agrees to deliver the Collateral to Agent upon request; (c) for any Collateral held by a repairman, mechanic or bailee, such Person acknowledges Agent's Lien, waives or subordinates any Lien it may have on the Collateral, and agrees to deliver the Collateral to Agent upon request; and (d) for any Collateral subject to a Licensor's Intellectual Property rights, the Licensor grants to Agent the right, vis-à-vis such Licensor, to enforce Agent's Liens with respect to the Collateral, including the right to dispose of it with the benefit of the Intellectual Property, whether or not a default exists under any applicable License.

Loan Documents: this Agreement, Other Agreements and Security Documents.

Loan Year: each 12 month period commencing on the Closing Date or an anniversary thereof.

Margin Stock: as defined in Regulation U of the Board of Governors.

Material Adverse Effect: the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, (a) has or could be reasonably expected to have a material adverse effect on the business, operations, Properties, or condition (financial or otherwise) of any Obligor, on the value of any material Collateral, on the enforceability of any Loan Document, or on the validity or priority of Agent's Liens on any Collateral; (b) impairs the ability of an Obligor to perform its obligations under the Loan Documents, including repayment of any Obligations; or (c) otherwise impairs the ability of Agent or any Lender to enforce or collect any Obligations or to realize upon any Collateral.

Material Contract: any agreement or arrangement to which a Borrower or Subsidiary is party (other than the Loan Documents) (a) that is deemed to be a material contract under any securities law applicable to such Person, including the Securities Act of 1933; and (b) for which breach, termination, nonperformance or failure to renew could reasonably be expected to have a Material Adverse Effect.

Moody's: Moody's Investors Service, Inc. or any successor acceptable to Agent. Multiemployer Plan: any employee benefit plan of the

type described in Section 4001(a)(3)

of ERISA, to which an Obligor or ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

Multiple Employer Plan: a Plan that has two or more contributing sponsors, including an Obligor or ERISA Affiliate, at least two of whom are not under common control, as described in Section 4064 of ERISA.

Net Proceeds: with respect to an Asset Disposition, proceeds (including, when received, any deferred or escrowed payments) received by a Borrower or Subsidiary in cash from such disposition, net of (a) reasonable and customary costs and expenses actually incurred in connection therewith, including legal fees and sales commissions; (b) amounts applied to repayment of Debt secured by a Permitted Lien senior to Agent's Liens on Collateral sold; (c) transfer or similar taxes; and (d) reserves for indemnities, until such reserves are no longer needed.

Notice of Borrowing: a request by Borrower Agent for a Borrowing of Revolver Loans, in form satisfactory to Agent.

Notice of Conversion/Continuation: a request by Borrower Agent for conversion or continuation of a Revolver Loan as a LIBOR Loan, in form satisfactory to Agent.

Obligations: all (a) principal of and premium, if any, on the Revolver Loans, (b) LC Obligations and other obligations of Obligors with respect to Letters of Credit, (c) interest, expenses, fees, indemnification obligations, Extraordinary Expenses and other amounts payable by Obligors under Loan Documents, (d) Secured Bank Product Obligations, and (e) other Debts, obligations and liabilities of any kind owing by Obligors pursuant to the Loan Documents, in each case whether now existing or hereafter arising, whether evidenced by a note or other writing, whether allowed in any Insolvency Proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether direct or indirect, absolute or contingent, due or to become due, primary or secondary, or joint or several; provided, that Obligations of an Obligor shall not include its Excluded Swap Obligations.

Obligor: each Borrower, Guarantor or other Person that is liable for payment of any Obligations or that has granted a Lien on its assets in favor of Agent to secure any Obligations.

OFAC: Office of Foreign Assets Control of the U.S. Treasury Department.

Ordinary Course of Business: the ordinary course of business of any Borrower or Subsidiary, undertaken in good faith and consistent with Applicable Law and past practices.

Organic Documents: with respect to any Person, its charter, certificate or articles of incorporation, memorandum and articles of association, constitutional documents, certificate of change of name (if any), bylaws, articles of organization, limited liability agreement, operating agreement, members agreement, shareholders agreement, partnership agreement, certificate of partnership, certificate of formation, memorandum of association, voting trust agreement, or similar agreement or instrument governing the formation or operation of such Person.

OSHA: the Occupational Safety and Hazard Act of 1970.

Other Agreement: each LC Document, fee letter, Lien Waiver, Borrowing Base Report, Compliance Certificate, Borrower Materials, Intercompany Subordination Agreement, or other note, document, instrument or agreement (other than this Agreement or a Security Document) now or hereafter delivered by an Obligor or other Person to Agent or a Lender in connection with any transactions relating hereto.

Other Connection Taxes: Taxes imposed on a Recipient due to a present or former connection between it and the taxing jurisdiction (other than connections arising from the Recipient having executed, delivered, become party to, performed obligations or received payments under, received or perfected a Lien or engaged in any other transaction pursuant to, enforced, or sold or assigned an interest in, any Revolver Loan or Loan Document).

Other Taxes: all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a Lien under, or otherwise with respect to, any Loan Document, except Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to **Section 13.4**).

Overadvance: as defined in **Section 2.1.5**.

Participating Member State: any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Participant: as defined in **Section 13.2**. Party: a party to this Agreement.

Patriot Act: the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001).

Payment Conditions: with respect to any investments, Distributions, payment of Debt, (i) both before and after giving effect to any such transaction and giving pro forma effect to the applicable transaction, no Default or Event of Default has occurred and is continuing or would arise as a result of the applicable transaction, (ii) after giving pro forma effect to the applicable transaction Availability shall not be less than the greater of $10,000,000 and 15% of the Borrowing Base then in effect for each of the 30 days immediately prior to the consummation of such transaction and immediately after giving effect thereto, (iii) the Fixed Charge Coverage Ratio as of the most recent 4 Fiscal Quarter period ended for which financial statements pursuant to **Section 10.1.2** were required to have been delivered shall not be less than 1.00:1.00, and (iv) with respect to the repayment of Debt, the Accounts owed by Thiemstone Limited have been paid in full.

Payment Item: each check, draft or other item of payment payable to a Borrower, including those constituting proceeds of any Collateral.

PBGC: the Pension Benefit Guaranty Corporation.

Pension Funding Rules: Code and ERISA rules regarding minimum required contributions (including installment payments) to Pension Plans set forth in, for plan years ending prior to the Pension Protection Act of 2006 effective date, Section 412 of the Code and Section 302 of ERISA, both as in effect prior to such act, and thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

Pension Plan: any employee pension benefit plan (as defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Obligor or ERISA Affiliate or to which the Obligor or ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the preceding five plan years.

Pensions Regulator: the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004.

Permitted Acquisition: any Acquisition as long as (a) the Acquisition is consensual; (b) the assets, business or Person being acquired is useful or engaged in the business of Borrowers and Subsidiaries, is located or organized within the United States or United Kingdom, and had positive EBITDA for the 12 month period most recently ended; (c) no Debt or Liens are assumed or incurred, except as permitted by **Sections 10.2.1(f), 10.2.1(i) and 10.2.2(j)**; (d) the Payment Conditions are satisfied with respect to each such Acquisition; and (e) Borrowers deliver to Agent, at least 10 Business Days prior to the Acquisition, copies of all material agreements relating thereto and a certificate, in form and substance satisfactory to Agent, stating that the Acquisition is a "Permitted Acquisition" and demonstrating compliance with the foregoing requirements.

Permitted Asset Disposition: an Asset Disposition that is (a) a sale of Inventory in the Ordinary Course of Business; (b) as long as no Default or Event of Default exists and all Net Proceeds are remitted to Agent a disposition of Equipment that, in the aggregate during any 12 month period, has a fair market or book value (whichever is more) of $500,000 or less; (c) a disposition of Inventory that is obsolete, unmerchantable or otherwise unsalable in the Ordinary Course of Business; (d) termination of a lease of real or personal Property that is not necessary for the Ordinary Course of Business, could not reasonably be expected to have a Material Adverse Effect and does not result from an Obligor's default; (e) a disposition of cash or Cash Equivalents,
(f) a license of Intellectual Property rights in the Ordinary Course of Business, (g) an arms-length disposition of one or more patents no longer necessary to the business of any Obligor, for an aggregate purchase price of up to $1,000,000, or (h) approved in writing by Agent and Required Lenders.

Permitted Contingent Obligations: Contingent Obligations (a) arising from endorsements of Payment Items for collection or deposit in the Ordinary Course of Business; (b) arising from Hedging Agreements permitted hereunder; (c) existing on the Closing Date, and any extension or renewal thereof that does not increase the amount of such Contingent Obligation when extended or renewed; (d) incurred in the Ordinary Course of Business with respect to surety, appeal or performance bonds, or other similar obligations; (e) arising from customary indemnification obligations in favor of purchasers in connection with dispositions of Equipment permitted hereunder; (f) arising under the Loan Documents; or (g) in an aggregate amount of $500,000 or less at any time.

Permitted Discretion: a determination made in the exercise, in good faith, of reasonable business judgment (from the perspective of a secured, asset-based lender).

Permitted Lien: as defined in **Section 10.2.2**.

Permitted Purchase Money Debt: Purchase Money Debt of Borrowers and Subsidiaries that is unsecured or secured only by a Purchase Money Lien, as long as the aggregate amount does not exceed $500,000 at any time and its incurrence does not violate **Section 10.2.3**.

Person: any individual, corporation, limited liability company, unlimited liability company, partnership, joint venture, association, trust, unincorporated organization, Governmental Authority or other entity.

PHL: Promethean (Holdings) Limited, a company incorporated in England and Wales under company number company 2359658.

Plan: an employee benefit plan (as defined in Section 3(3) of ERISA) maintained for employees of an Obligor or ERISA Affiliate, or to which an Obligor or ERISA Affiliate is required to contribute on behalf of its employees.

Platform: as defined in **Section 14.3.3**.

Prime Rate: the rate of interest announced by Bank of America from time to time as its prime rate. Such rate is set by Bank of America on the basis of various factors, including its costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such rate. Any change in such rate publicly announced by Bank of America shall take effect at the opening of business on the day specified in the announcement.

Pro Rata: with respect to any Lender, a percentage (rounded to the ninth decimal place) determined (a) by dividing the amount of such Lender's Revolver Commitment by the aggregate outstanding Revolver Commitments; or (b) following termination of the Revolver Commitments, by dividing the amount of such Lender's Revolver Loans and LC Obligations by the aggregate outstanding Revolver Loans and LC Obligations or, if all Revolver Loans and LC Obligations have been paid in full and/or Cash Collateralized, by dividing such Lender's and its Affiliates' remaining Obligations by the aggregate remaining Obligations.

Properly Contested: with respect to any obligation of an Obligor, (a) the obligation is subject to a bona fide dispute regarding amount or the Obligor's liability to pay; (b) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (c) appropriate reserves have been established in accordance with IFRS; (d) non-payment could not have a Material Adverse Effect, nor result in forfeiture or sale of any assets of the Obligor; (e) no Lien is imposed on assets of the Obligor, unless bonded and stayed to the satisfaction of Agent; and (f) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

Property: any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

Protective Advances: as defined in **Section 2.1.6**.

PTL: Promethean Technology Limited, a company incorporated in England and Wales under company number: 5267601.

Purchase Money Debt: (a) Debt (other than the Obligations) for payment of any of the purchase price of fixed assets; (b) Debt (other than the Obligations) incurred within 10 days before or after acquisition of any fixed assets, for the purpose of financing any of the purchase price thereof; and (c) any renewals, extensions or refinancings (but not increases) thereof.

Purchase Money Lien: a Lien that secures Purchase Money Debt, encumbering only the fixed assets acquired with such Debt and constituting a Capital Lease or a purchase money security interest under the UCC or other Applicable Law.

PWI: Promethean World Inc., a Delaware corporation.

Qualified ECP: an Obligor with total assets exceeding $10,000,000, or that constitutes an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" under Section 1a(18)(A)(v)(II) of such act.

RCRA: the Resource Conservation and Recovery Act (42 U.S.C. §§ 6991-6991i). Reallocation: as defined in **Section 2.2.1**.

Reallocation Date: as defined in **Section 2.2.1**.

Real Estate: all right, title and interest (whether as owner, lessor or lessee) in any real Property or any buildings, structures, parking areas or other improvements thereon.

Recipient: Agent, Issuing Bank, any Lender or any other recipient of a payment to be made by an Obligor under a Loan Document or on account of an Obligation.

Refinancing Conditions: (a) the Refinancing Debt is in an aggregate principal amount that does not exceed the principal amount of the Debt being extended, renewed or refinanced; (b) it has a final maturity no sooner than, a weighted average life no less than, and an interest rate no greater than, the Debt being extended, renewed or refinanced; (c) it is subordinated to the Obligations at least to the same extent as the Debt being extended, renewed or refinanced; (d) the representations, covenants and defaults applicable to it are no less favorable to Borrowers than those applicable to the Debt being extended, renewed or refinanced; (e) no additional Lien is granted to secure it; (f) no additional Person is obligated on such Debt; and (g) upon giving effect to it, no Default or Event of Default exists.

Refinancing Debt: Borrowed Money that is the result of an extension, renewal or refinancing of Debt permitted under **Section 10.2.1(b)**, **(d)** or **(f)**.

Reimbursement Date: as defined in **Section 2.3.2**.

Rent and Charges Reserve: the aggregate of (a) all past due rent and other amounts owing by an Obligor to any landlord, warehouseman, processor, repairman, mechanic, shipper, freight forwarder, broker or other Person who possesses any Collateral or could assert a Lien on any Collateral; and (b) a reserve at least equal to three months rent and other charges that could be payable to any such Person, unless it has executed a Lien Waiver.

Report: as defined in **Section 12.2.3**.

Reporting Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than $6,000,000 or 15% of the aggregate Revolver Commitments for 5 consecutive days; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than $6,000,000 and 15% of the aggregate Revolver Commitments.

Reportable Event: any event set forth in Section 4043(c) of ERISA, other than an event for which the 30 day notice period has been waived.

Required Lenders: Secured Parties holding more than 50% of (a) the aggregate outstanding Revolver Commitments; or (b) after termination of the Revolver Commitments, the aggregate outstanding Revolver Loans and LC Obligations or, upon Full Payment of all Revolver Loans and LC Obligations, the aggregate remaining Obligations; provided, that Revolver Commitments, Revolver Loans and other Obligations held by a Defaulting Lender and its Affiliates shall be disregarded in making such calculation, but any related Fronting Exposure shall be deemed held as a Revolver Loan or LC Obligation by the Lender that funded the applicable Revolver Loan or issued the applicable Letter of Credit.

Restricted Investment: any Investment by a Borrower or Subsidiary, other than (a) Investments in Subsidiaries to the extent existing on the Closing Date; (b) Cash Equivalents that are subject to Agent's Lien and control, pursuant to documentation in form and substance satisfactory to Agent; (c) loans and advances permitted under **Section 10.2.7**; (d) Permitted Acquisitions and (e) other Investments so long as the Payment Conditions are satisfied with respect to each such Investment.

Restrictive Agreement: an agreement (other than a Loan Document) that conditions or restricts the right of any Borrower, Subsidiary or other Obligor to incur or repay Borrowed Money, to grant Liens on any assets, to declare or make Distributions, to modify, extend or renew any agreement evidencing Borrowed Money, or to repay any intercompany Debt.

Revolver Commitment: for any Lender, its obligation to make Revolver Loans and to participate in LC Obligations up to the maximum principal amount shown on **Schedule 1.1**, as hereafter modified pursuant to **Section 2.1.7** or an Assignment to which it is a party. "Revolver Commitments" means the aggregate amount of such commitments of all Lenders.

Revolver Loan: any loan made pursuant to **Section 2.1** or as a Swingline Loan. Revolver Termination Date: June 25, 2021.

Revolver Usage: (a) the aggregate amount of outstanding Revolver Loans; plus (b) the aggregate Stated Amount of outstanding Letters of Credit, except to the extent Cash Collateralized by Borrowers.

S&P: Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., or any successor acceptable to Agent.

Sanction: any sanction administered or enforced by the U.S. government (including OFAC), United Nations Security Council, European Union, the institutions and agencies of the
U.K. government (including Her Majesty's Treasury) or other sanctions authority.

Secured Bank Product Obligations: Debt, obligations and other liabilities with respect to Bank Products owing by a Borrower or Affiliate of a Borrower to a Secured Bank Product Provider; provided, that Secured Bank Product Obligations of an Obligor shall not include its Excluded Swap Obligations.

Secured Bank Product Provider: (a) Bank of America or any of its Affiliates or Lending Offices; and (b) any other Lender or Affiliate of a Lender that is providing a Bank Product, provided such provider delivers written notice to Agent, in form and substance satisfactory to Agent, within 10 days following the later of the Closing Date or creation of the Bank Product, (i) describing the Bank Product and setting forth the maximum amount to be secured by the Collateral and the methodology to be used in calculating such amount, and (ii) agreeing to be bound by **Section 12.13**.

Secured Parties: Agent, Issuing Bank, Lenders and Secured Bank Product Providers. Security Documents: the Guaranties, Deposit

Account Control Agreements, the U.K.

Security Documents and all other documents, instruments and agreements now or hereafter securing (or given with the intent to secure) any Obligations.

Senior Officer: a director, the chairman of the board, president, chief executive officer, vice president or chief financial officer of a Borrower or, if the context requires, an Obligor.

Settlement Report: a report summarizing Revolver Loans and participations in LC Obligations outstanding as of a given settlement date, allocated to Lenders on a Pro Rata basis in accordance with their Revolver Commitments.

Solvent: as to any Person, such Person (a) owns Property whose fair salable value is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (b) owns Property whose present fair salable value (as defined below) is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (c) is able to pay all of its debts as they mature; (d) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; (e) is not "insolvent" within the meaning of Section 101(32) of the Bankruptcy Code or, with respect to a U.K. Obligor, it is or is deemed for the purpose of and under the Insolvency Act to be unable to pay its debts as they fall due; and (f) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. "Fair salable value" means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase.

Specified Obligor: an Obligor that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to **Section 5.11**).

Spot Rate: the exchange rate, as determined by Agent, that is applicable to conversion of one currency into another currency, which is (a) the exchange rate reported by Bloomberg (or other commercially available source designated by Agent) as of the end of the preceding business day in the financial market for the first currency; or (b) if such report is unavailable for any reason, the spot rate for the purchase of the first currency with the second currency as in effect during the preceding business day in Agent's principal foreign exchange trading office for the first currency.

Stated Amount: the outstanding amount of a Letter of Credit, including any automatic increase or tolerance (whether or not then in effect) provided by the Letter of Credit or related LC Documents.

Sterling: the lawful currency of the United Kingdom

Subordinated Debt: Debt incurred by a Borrower that is expressly subordinate and junior in right of payment to Full Payment of all Obligations, and is on terms (including maturity, interest, fees, repayment, covenants and subordination) satisfactory to Agent.

Subsidiary: any entity at least 50% of whose voting securities or Equity Interests is owned by Parent or a Borrower, as applicable, or combination of Borrowers (including indirect ownership through other entities in which Parent or a Borrower directly or indirectly owns 50% of the voting securities or Equity Interests).

Swap Obligations: with respect to an Obligor, its obligations under a Hedging Agreement that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

Swingline Loan: any Borrowing of Floating Rate Loans funded with Agent's funds, until such Borrowing is settled among Lenders or repaid by Borrowers.

TARGET Day: any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) determined by the Agent to be a suitable replacement) is open for the settlement of payments in Euro.

Taxes: all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Tax Confirmation: a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes; or

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

Tax Credit: a credit against, relief or remission for, or repayment of, any Taxes.

Tax Deduction: a deduction or withholding for or on account of Taxes from a payment under a Loan Document, other than a FATCA Deduction.

Tax Payment: in relation to any U.K. Obligor, either the increase in a payment made by that U.K. Obligor to a Lender under **Section 5.12.2** or a payment under **Section 5.12.3**.

Transferee: any actual or potential Eligible Assignee, Participant or other Person acquiring an interest in any Obligations.

Treaty Lender: a Lender which: (a) is treated as a resident of a Treaty State for the purposes of a Treaty; (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in a Loan Document is effectively connected; and (c) fulfills any other conditions which must be fulfilled under the Treaty for residents of that Treaty State to obtain full exemption from United Kingdom taxation on interest payable to that Lender in respect of an advance under a Loan Document, subject to the completion of any necessary procedural formalities.

Treaty State: a jurisdiction having a double taxation agreement (a "Treaty") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than $5,000,000 or 10% of the aggregate Revolver Commitments; and
(b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than $5,000,000 and 10% of the aggregate Revolver Commitments.

UBS Bank Guaranty: that certain Payment Guaranty issued by UBS Switzerland AG for the benefit of Promethean U.K., bearing number 30GA-G90579-6X84 dated 26 March 2018, so long as the rights to the proceeds of such guaranty are assigned to Agent for the benefit of the Secured parties.

UCC: the Uniform Commercial Code as in effect in the State of New York or, when the laws of any other jurisdiction govern the perfection or enforcement of any Lien, the Uniform Commercial Code of such jurisdiction.

U.K.: the United Kingdom of Great Britain and Northern Ireland.

U.K. Accounts Formula Amount: 85% of the Value of Eligible Accounts of Promethean U.K.; provided, that the aggregate amount of the amount determined under this definition with respect to Eligible Accounts of Promethean U.K. which are supported by credit insurance shall not exceed $5,000,000**.**

U.K. Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the U.K. Sublimit minus the U.K. Priority Payables Reserve; or (b) the sum of the U.K. Accounts Formula Amount, minus the Availability Reserve allocated by Agent to Promethean U.K.

U.K. LC Sublimit: $3,500,000.

UK Non-Bank Lender: where a Lender becomes a Party after the day on which this Agreement is entered into, a Lender which gives a Tax Confirmation in the documentation which it executes on becoming a Party as a Lender.

U.K Obligor: Promethean U.K and any other Obligor that is organized under the laws of England and Wales.

U.K. Priority Payables Reserve: as of any date of determination, a reserve in such amount as the Agent may determine to reflect the full amount of any liabilities or amounts which (by virtue of any Liens or any statutory provision) rank or are capable of ranking in priority to the Agent's Liens and/or for amounts which may represent costs relating to the enforcement of the Agent's Liens including, without limitation, but only to the extent prescribed pursuant to English law and statute then in force, (i) amounts due to employees in respect of unpaid wages and holiday pay,
(ii) the amount of all scheduled but unpaid pension contributions (iii) the "prescribed part" of floating charge realisations held for unsecured creditors, and (iv) the expenses and liabilities incurred by any administrator (or other insolvency officer) and any remuneration of such administrator (or other insolvency officer).

U.K. Qualifying Lender:

(i) a Lender (other than a Lender within paragraph (ii) below) which is beneficially entitled to interest payable to that Lender in respect of any advance under the Loan Documents and is:

(A) a Lender:

(1) which is a bank (as defined for the purpose of section 879 of the ITA making an advance under a Loan Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or

(2) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United

Kingdom corporation tax as respects any payments of interest made in respect of that advance;

(B) a Lender which is:

(1) a company resident in the U.K. for U.K. tax purposes;

(2) a partnership each member of which is:

(a) a company so resident in the U.K.; or

(b) a company not so resident in the U.K. which carries on a trade in the U.K. through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(3) a company not so resident in the U.K. which carries on a trade in the U.K. through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or

(C) a Treaty Lender; or

(ii) a building society (as defined for the purposes of section 880 of ITA) making and advance under the Loan Documents.

U.K. Sublimit: $25,000,000, subject to Reallocation under **Section 2.2**.

U.K. Security Documents: each debenture, deed of charge or other similar agreement, instrument or document governed by the laws of England and Wales now or hereafter securing (or given with the intent to secure) any Obligations.

Unused Line Fee Rate: a per annum rate equal to (a) 0.375, if average daily Revolver Usage was 50% or less of the Revolver Commitments during the preceding calendar month, or (b) 0.25%, if average daily Revolver Usage was more than 50% of the Revolver Commitments during such month.

Upstream Payment: a Distribution by a Subsidiary of Parent to Parent.

U.S. Person: "United States Person" as defined in Section 7701(a)(30) of the Code.

U.S. Accounts Formula Amount: 85% of the Value of Eligible Accounts of Promethean U.S.

U.S. Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the U.S. Sublimit; or (b) the sum of the U.S. Accounts Formula Amount, minus the Availability Reserve allocated by Agent to Promethean U.S.

U.S. LC Sublimit: $1,500,000.

U.S. Obligor: Promethean U.S. and each other Obligor organized under the laws of the United States and its States and territories.

U.S. Sublimit: $10,000,000, subject to Reallocation under **Section 2.2**.

U.S. Tax Compliance Certificate: as defined in **Section 5.10.2(b)(iii)**.

Value: for an Account, its face amount, (i) net of any returns, rebates, discounts (calculated on the shortest terms), credits, allowances or Taxes (including sales, excise or other taxes) that have been or could be claimed by the Account Debtor or any other Person and (ii) with respect to Accounts supported by credit insurance, up to the coverage amount net of copays and deductibles.

VAT: (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

Withholding Agent: any Obligor and the Agent.

Write-Down and Conversion Powers: the write-down and conversion powers of the applicable EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which powers are described in the EU Bail-In Legislation Schedule.

1.1 Accounting Terms. Under the Loan Documents (except as otherwise specified therein), all accounting terms shall be interpreted, all accounting determinations shall be made, and all financial statements shall be prepared, in accordance with IFRS applied on a basis consistent with the most recent audited financial statements of Borrowers delivered to Agent before the Closing Date and using the same inventory valuation method as used in such financial statements, except for any change required or permitted by IFRS if Borrowers' certified public accountants concur in such change, the change is disclosed to Agent, and all relevant provisions of the Loan Documents are amended in a manner satisfactory to Required Lenders to take into account the effects of the change.

1.2 Uniform Commercial Code. As used herein, the following terms are defined in accordance with the UCC in effect in the State of New York from time to time: "Account," "Account Debtor," "Chattel Paper," "Commercial Tort Claim," "Deposit Account," "Document," "Equipment," "General Intangibles," "Goods," "Instrument," "Investment Property," "Letter-of- Credit Right" and "Supporting Obligation."

1.3 Certain Matters of Construction. The terms "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section,

paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. In the computation of periods of time from a specified date to a later specified date, "from" means "from and including," and "to" and "until" each mean "to but excluding." The terms "including" and "include" shall mean "including, without limitation" and, for purposes of each Loan Document, the parties agree that the rule of *ejusdem generis* shall not be applicable to limit any provision. Section titles appear as a matter of convenience only and shall not affect the interpretation of any Loan Document. All references to (a) laws include all related regulations, interpretations, supplements, amendments and successor provisions; (b) any document, instrument or agreement include any amendments, waivers and other modifications, extensions or renewals (to the extent permitted by the Loan Documents); (c) any section mean, unless the context otherwise requires, a section of this Agreement; (d) any exhibits or schedules mean, unless the context otherwise requires, exhibits and schedules attached hereto, which are hereby incorporated by reference; (e) any Person include successors and assigns; (f) time of day means time of day (i) in London, England with respect to Revolver Loan requests and repayments and notices related to Promethean
U.K. and (ii) in the Central time zone with respect to Revolver Loan requests and repayments and notices related to Promethean U.S.; or (g) discretion of Agent, Issuing Bank or any Lender mean the sole and absolute discretion of such Person exercised at any time. All determinations (including calculations of Borrowing Base and financial covenants) made from time to time under the Loan Documents shall be made in light of the circumstances existing at such time. Borrowing Base calculations shall be consistent with historical methods of valuation and calculation, and otherwise satisfactory to Agent (and not necessarily calculated in accordance with IFRS). Borrowers shall have the burden of establishing any alleged negligence, misconduct or lack of good faith by Agent, Issuing Bank or any Lender under any Loan Documents. No provision of any Loan Documents shall be construed against any party by reason of such party having, or being deemed to have, drafted the provision. Reference to a Borrower's "knowledge" or similar concept means actual knowledge of a Senior Officer, or knowledge that a Senior Officer would have obtained if he or she had engaged, with respect to the specific matter in question, in reasonable good faith and diligent performance of his or her duties, including reasonably specific inquiries of employees or agents and a good faith attempt to ascertain the matter.

1.4 Currency Equivalents.

1.1.1 Calculations. All references in the Loan Documents to Revolver Loans, Letters of Credit, Obligations, Borrowing Base components and other amounts shall be denominated in Dollars, unless expressly provided otherwise. The Dollar equivalent of any amounts denominated or reported under a Loan Document in a currency other than Dollars shall be determined by Agent on a daily basis, based on the current Spot Rate. Borrowers shall report Value and other Borrowing Base components to Agent in the currency invoiced by Borrowers (for Accounts) or shown in Borrowers' financial records (for all other assets), and unless expressly provided otherwise, shall deliver financial statements and calculate financial covenants in Dollars. Notwithstanding anything herein to the contrary, all Obligations shall be repaid in the currency in which they were incurred.

1.1.2 Judgments. If, in connection with obtaining judgment in any court, it is necessary to convert a sum from the currency provided under a Loan Document ("Agreement Currency") into another currency, the Spot Rate shall be used as the rate of exchange. Notwithstanding any judgment in a currency ("Judgment Currency") other than

the Agreement Currency, a Borrower shall discharge its obligation in respect of any sum due under a Loan Document only if, on the Business Day following receipt by Agent of payment in the Judgment Currency, Agent can use the amount paid to purchase the sum originally due in the Agreement Currency. If the purchased amount is less than the sum originally due, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify Agent and Lenders against such loss. If the purchased amount is greater than the sum originally due, Agent shall return the excess amount to such Borrower (or to the Person legally entitled thereto).

SECTION 2. CREDIT FACILITIES

2.1 Revolver Commitment.

2.1.1 Revolver Loans. Each Lender agrees, severally on a Pro Rata basis up to its Revolver Commitment, on the terms set forth herein, to make Revolver Loans to Borrowers from time to time through the Commitment Termination Date. The Revolver Loans may be repaid and reborrowed as provided herein. In no event shall Lenders have any obligation to honor a request for a Revolver Loan if Revolver Usage at such time plus the requested Revolver Loan would exceed the Borrowing Base. At no time shall the aggregate amount of outstanding Revolver Loans advanced to Promethean U.K.; plus (b) the aggregate Stated Amount of outstanding Letters of Credit issued at the request of Promethean U.K. exceed the U.K. Borrowing Base. At no time shall the aggregate amount of outstanding Revolver Loans advanced to Promethean U.S.; plus (b) the aggregate Stated Amount of outstanding Letters of Credit issued at the request of Promethean U.S. exceed the U.S. Borrowing Base.

2.1.2 Notes. Revolver Loans and interest accruing thereon shall be evidenced by the records of Agent and the applicable Lender. At the request of a Lender, Borrowers shall deliver promissory note(s) to such Lender, evidencing its Revolver Loans.

2.1.3 Use of Proceeds. The proceeds of Revolver Loans shall be used by Borrowers solely (a) to satisfy existing Debt; (b) to pay fees and transaction expenses associated with the closing of this credit facility; (c) to pay Obligations in accordance with this Agreement; and (d) for lawful corporate purposes of Borrowers, including working capital. Borrowers shall not, directly or indirectly, use any Letter of Credit or Revolver Loan proceeds, nor use, lend, contribute or otherwise make available any Letter of Credit or Revolver Loan proceeds to any Subsidiary, joint venture partner or other Person, (i) to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of issuance of the Letter of Credit or funding of the Revolver Loan, is the target of any Sanction; (ii) in any manner that would result in a violation of a Sanction by any Person (including any Secured Party or other individual or entity participating in any transaction) ; or (iii) for any purpose that would breach the U.S. Foreign Corrupt Practices Act of 1977, U.K. Bribery Act 2010 or similar law in any jurisdiction.

2.1.4 Voluntary Reduction or Termination of Revolver Commitments.

(a) The Revolver Commitments shall terminate on the Revolver Termination Date, unless sooner terminated in accordance with this Agreement. Upon at least 30 days prior written notice to Agent at any time after the first Loan Year, Borrowers may, at their option, terminate the Revolver Commitments and this credit facility. Any notice of termination given by Borrowers shall be irrevocable. On the termination date, Borrowers shall make Full Payment of all Obligations.

(b) Borrowers may permanently reduce the Revolver Commitments, on a ratable basis for all Lenders, upon at least 30 days prior written notice to Agent, which notice shall specify the amount of the reduction and shall be irrevocable once given. Each reduction shall be in a minimum amount of $5,000,000, or an increment of $1,000,000 in excess thereof. Except for terminations of the Revolver Commitments in accordance with clause (a) of this **Section 2.1.4**, the Revolver Commitments shall at no time be reduced by Borrowers to an amount less than $15,000,000.

2.1.5 Overadvances. If Revolver Usage exceeds the Borrowing Base ("Overadvance") at any time, the excess shall be payable by Borrowers **on demand** by Agent and shall constitute an Obligation secured by the Collateral, entitled to all benefits of the Loan Documents. Agent may require Lenders to fund Floating Rate Loans that cause or constitute an Overadvance and to forbear from requiring Borrowers to cure an Overadvance, as long as the total Overadvance does not exceed 10% of the Revolver Commitments and does not continue for more than 30 consecutive days without the consent of Required Lenders. In no event shall Revolver Loans be required that would cause Revolver Usage to exceed the aggregate Revolver Commitments. No funding or sufferance of an Overadvance shall constitute a waiver by Agent or Lenders of the Event of Default caused thereby. No Obligor shall be a beneficiary of this **Section 2.1.5** nor authorized to enforce any of its terms.

2.1.6 Protective Advances. Agent shall be authorized, in its discretion, at any time that any conditions in **Section 6** are not satisfied, to make Floating Rate Loans ("Protective Advances") (a) up to an aggregate amount equal to 10% of the Revolver Commitments outstanding at any time, if Agent deems such Revolver Loans necessary or desirable to preserve or protect Collateral, or to enhance the collectability or repayment of Obligations, as long as such Revolver Loans do not cause Revolver Usage to exceed the aggregate Revolver Commitments; or (b) to pay any other amounts chargeable to Obligors under any Loan Documents, including interest, costs, fees and expenses. Lenders shall participate on a Pro Rata basis in Protective Advances outstanding from time to time. Required Lenders may at any time revoke Agent's authority to make further Protective Advances under clause (a) by written notice to Agent. Absent such revocation, Agent's determination that funding of a Protective Advance is appropriate shall be conclusive.

2.1.7 Increase in Revolver Commitments. Borrowers may request an increase in Revolver Commitments from time to time upon not less than 30 days' notice to Agent, as

long as (a) the requested increase is in a minimum amount of $5,000,000 and is offered on the same terms as existing Revolver Commitments, except for a closing fee specified by Borrowers, and (b) total increases under this Section do not exceed $15,000,000 and no more than 3 increases are made. Agent shall promptly notify Lenders of the requested increase and, within 10 Business Days thereafter, each Lender shall notify Agent if and to what extent such Lender commits to increase its Revolver Commitment. Any Lender not responding within such period shall be deemed to have declined an increase. If Lenders fail to commit to the full requested increase, Eligible Assignees may issue additional Revolver Commitments and become Lenders hereunder. Agent may allocate, in its discretion, the increased Revolver Commitments among committing Lenders and, if necessary, Eligible Assignees. Total Revolver Commitments shall be increased by the requested amount (or such lesser amount committed by Lenders and Eligible Assignees) on a date agreed upon by Agent and Borrower Agent, provided the conditions set forth in Section 6.2 are satisfied at such time. Agent, Borrowers, and the new and existing Lenders shall execute and deliver such documents and agreements as Agent deems appropriate to evidence the increase in and allocations of Revolver Commitments. On the effective date of an increase, the Revolver Usage and other exposures under the Revolver Commitments shall be reallocated among Lenders, and settled by Agent as necessary, in accordance with Lenders' adjusted shares of such commitments.

2.2 Sublimit Reallocation.

2.1.1 Reallocation. Borrowers may request that Agent change the then current allocation of their respective U.K. Sublimit and U.S. Sublimit in order to effect an increase in the U.K Sublimit or U.S. Sublimit with a contemporaneous decrease in the other sublimit (each, a "Reallocation"). Any such Reallocation shall be subject to the following conditions: (i) Borrower Agent shall have provided to Agent a written notice (in reasonable detail) at least ten (10) Business Days prior to the requested effective date (which effective date shall be the first day of the subsequent Fiscal Quarter) of such Reallocation (the "Reallocation Date") setting forth the proposed Reallocation Date and the amounts of the
U.K Sublimit and U.S. Sublimit reallocation to be effected, (ii) any such Reallocation shall increase or decrease the applicable sublimits in increments of $1,000,000, and, after giving effect to any such Reallocation, the U.S. Sublimit shall not be less than $10,000,000, (iii) no Default or Event of Default shall have occurred and be continuing either as of the date of such request or on the Reallocation Date (both immediately before and after giving effect to such Reallocation), (iv) any increase or decrease in the U.K Sublimit or U.S. Sublimit shall result in a concurrent decrease or increase in the other sublimit, (v) after giving effect to such Reallocation, no Overadvance would exist or would result therefrom, and (vi) at least three (3) Business Days prior to the proposed Reallocation Date, a Senior Officer of Borrower Agent shall have delivered to Agent a certificate certifying as to compliance with preceding clauses (i) through (v) and demonstrating (in reasonable detail) the calculations required in connection therewith.

2.1.2 Reallocations Generally. Agent shall promptly notify such Lenders of the Reallocation Date and amount of the Reallocation.

2.3 Letter of Credit Facility.

2.1.1 Issuance of Letters of Credit. Issuing Bank shall issue Letters of Credit from time to time until the Commitment Termination Date, on the terms set forth herein, including the following:

(a) Each Borrower acknowledges that Issuing Bank's issuance of any Letter of Credit is conditioned upon Issuing Bank's receipt of a LC Application with respect to the requested Letter of Credit, as well as such other instruments and agreements as Issuing Bank may customarily require for issuance of a letter of credit of similar type and amount. Issuing Bank shall have no obligation to issue any Letter of Credit unless (i) Issuing Bank receives a LC Request and LC Application at least three Business Days prior to the requested date of issuance; (ii) each LC Condition is satisfied; and (iii) if a Defaulting Lender exists, such Lender or Borrowers have entered into arrangements satisfactory to Agent and Issuing Bank to eliminate any Fronting Exposure associated with such Lender. If, in sufficient time to act, Issuing Bank receives written notice from Agent or Required Lenders that a LC Condition has not been satisfied, Issuing Bank shall not issue the requested Letter of Credit. Prior to receipt of any such notice, Issuing Bank shall not be deemed to have knowledge of any failure of LC Conditions.

(b) Letters of Credit may be requested by a Borrower to support obligations incurred in the Ordinary Course of Business, or as otherwise approved by Agent. Increase, renewal or extension of a Letter of Credit shall be treated as issuance of a new Letter of Credit, except that Issuing Bank may require a new LC Application in its discretion.

(c) Borrowers assume all risks of the acts, omissions or misuses of any Letter of Credit by the beneficiary. In connection with any Letter of Credit, none of Agent, Issuing Bank or any Lender shall be responsible for the existence, character, quality, quantity, condition, packing, value or delivery of any goods purported to be represented by any Documents; any differences or variation in the character, quality, quantity, condition, packing, value or delivery of any goods from that expressed in any Documents; the form, validity, sufficiency, accuracy, genuineness or legal effect of any Documents or of any endorsements thereon; the time, place, manner or order in which shipment of goods is made; partial or incomplete shipment of, or failure to ship, any goods referred to in a Letter of Credit or Documents; any deviation from instructions, delay, default or fraud by any shipper or other Person in connection with any goods, shipment or delivery; any breach of contract between a shipper or vendor and a Borrower; errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, telecopy, e-mail, telephone or otherwise; errors in interpretation of technical terms; the misapplication by a beneficiary of any Letter of Credit or the proceeds thereof; or any consequences arising from causes beyond the control of Issuing Bank, Agent or any Lender, including any act or omission of a Governmental Authority. Borrowers shall take all action to avoid and mitigate any damages relating to any Letter of Credit or claimed against Issuing Bank, Agent or

any Lender, including through enforcement of any available rights against a beneficiary. Issuing Bank shall be fully subrogated to the rights and remedies of any beneficiary whose claims against any Borrower are discharged with proceeds of a Letter of Credit. The rights and remedies of Issuing Bank under the Loan Documents shall be cumulative.

(d) In connection with its administration of and enforcement of rights or remedies under any Letters of Credit or LC Documents, Issuing Bank shall be entitled to act, and shall be fully protected in acting, upon any certification, documentation or communication in whatever form believed by Issuing Bank, in good faith, to be genuine and correct and to have been signed, sent or made by a proper Person. Issuing Bank may use legal counsel, accountants and other experts to advise it concerning its obligations, rights and remedies, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by such experts. Issuing Bank may employ agents and attorneys-in-fact in connection with any matter relating to Letters of Credit or LC Documents, and shall not be liable for the negligence or misconduct of agents and attorneys-in-fact selected with reasonable care.

(e) The aggregate LC Obligations with respect to Letters of Credit issued at the request of Promethean U.K. shall at no time exceed the U.K. LC Sublimit and the aggregate LC Obligations with respect to Letters of Credit issued at the request of Promethean U.S. shall at no time exceed the U.S. LC Sublimit.

2.1.2 Reimbursement; Participations.

(a) If Issuing Bank honors any request for payment under a Letter of Credit, Borrowers shall pay to Issuing Bank, on the same day ("Reimbursement Date"), the amount paid by Issuing Bank under such Letter of Credit, together with interest at the interest rate for Base Rate Loans from the Reimbursement Date until payment by Borrowers. The obligation of Borrowers to reimburse Issuing Bank for any payment made under a Letter of Credit shall be absolute, unconditional, irrevocable, and joint and several, and shall be paid without regard to any lack of validity or enforceability of any Letter of Credit or the existence of any claim, setoff, defense or other right that Borrowers may have at any time against the beneficiary. Whether or not Borrower Agent submits a Notice of Borrowing, Borrowers shall be deemed to have requested a Borrowing of Floating Rate Loans in an amount necessary to pay all amounts due Issuing Bank on any Reimbursement Date and each Lender shall fund its Pro Rata share of such Borrowing whether or not the Revolver Commitments have terminated, an Overadvance exists or is created thereby, or the conditions in **Section 6** are satisfied.

(b) Each Lender hereby irrevocably and unconditionally purchases from Issuing Bank, without recourse or warranty, an undivided Pro Rata participation in all LC Obligations outstanding from time to time. Issuing Bank is issuing Letters of Credit in reliance upon this participation. If Borrowers do not make a payment to Issuing Bank when due hereunder, Agent shall promptly notify

Lenders and each Lender shall within one Business Day after such notice pay to Agent, for the benefit of Issuing Bank, the Lender's Pro Rata share of such payment. Upon request by a Lender, Issuing Bank shall provide copies of Letters of Credit and LC Documents in its possession at such time.

(c) The obligation of each Lender to make payments to Agent for the account of Issuing Bank in connection with Issuing Bank's payment under a Letter of Credit shall be absolute, unconditional and irrevocable, not subject to any counterclaim, setoff, qualification or exception whatsoever, and shall be made in accordance with this Agreement under all circumstances, irrespective of any lack of validity or unenforceability of any Loan Documents; any draft, certificate or other document presented under a Letter of Credit having been determined to be forged, fraudulent, noncompliant, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; any waiver by Issuing Bank of a requirement that exists for its protection (and not a Borrower's protection) or that does not materially prejudice a Borrower; any honor of an electronic demand for payment even if a draft is required; any payment of an item presented after a Letter of Credit's expiration date if authorized by the UCC or applicable customs or practices; or any setoff or defense that an Obligor may have with respect to any Obligations. Issuing Bank does not assume any responsibility for any failure or delay in performance or any breach by any Borrower or other Person of any obligations under any LC Documents. Issuing Bank does not make to Lenders any express or implied warranty, representation or guaranty with respect to any Letter of Credit, Collateral, LC Document or Obligor. Issuing Bank shall not be responsible to any Lender for any recitals, statements, information, representations or warranties contained in, or for the execution, validity, genuineness, effectiveness or enforceability of any LC Documents; the validity, genuineness, enforceability, collectability, value or sufficiency of any Collateral or the perfection of any Lien therein; or the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any Obligor.

(d) No Issuing Bank Indemnitee shall be liable to any Lender or other Person for any action taken or omitted to be taken in connection with any Letter of Credit or LC Document except as a result of its gross negligence or willful misconduct. Issuing Bank may refrain from taking any action with respect to a Letter of Credit until it receives written instructions (and in its discretion, appropriate assurances) from the Lenders.

2.1.3 Cash Collateral. At Agent's or Issuing Bank's request, Borrowers shall Cash Collateralize (a) the Fronting Exposure of any Defaulting Lender, and (b) all outstanding Letters of Credit if an Event of Default exists, the Commitment Termination Date occurs or the Revolver Termination Date is scheduled to occur within 20 Business Days. If Borrowers fail to provide any Cash Collateral as required hereunder, Lenders may (and shall upon direction of Agent) advance, as Revolver Loans, the amount of Cash Collateral required (whether or not the Revolver Commitments have terminated, an Overadvance exists or the conditions in **Section 6** are satisfied).

2.1.4 Resignation of Issuing Bank. Issuing Bank may resign at any time upon prior notice to Agent and Borrowers, and any resignation of Agent hereunder shall automatically constitute its concurrent resignation as Issuing Bank. From the effective date of its resignation, Issuing Bank shall have no obligation to issue, amend, renew, extend or otherwise modify any Letter of Credit, but shall otherwise have all rights and obligations of an Issuing Bank hereunder relating to any Letter of Credit issued by it prior to such date. A replacement Issuing Bank may be appointed by written agreement among Agent, Borrower Agent and the new Issuing Bank.

SECTION 3. INTEREST, FEES AND CHARGES

3.1 Interest.

3.1.1 Rates and Payment of Interest.

(a) The Obligations shall bear interest (i) if a Base Rate Loan, at the Base Rate in effect from time to time, plus the Applicable Margin; (ii) if a Foreign Base Rate Loan, at the Foreign Base Rate in effect from time to time, plus the Applicable Margin; (iii) if a LIBOR Loan, at LIBOR for the applicable Interest Period, plus the Applicable Margin; and (iv) if any other Obligation (including, to the extent permitted by law, interest not paid when due), at the Base Rate in effect from time to time if denominated in Dollars and at the Foreign Base Rate in effect from time to time if denominated in Sterling or Euro, in each case, plus the Applicable Margin applicable thereto.

(b) During an Insolvency Proceeding with respect to any Borrower, or during any other Event of Default if Agent or Required Lenders in their discretion so elect, Obligations shall bear interest at the Default Rate (whether before or after any judgment), payable **on demand**.

(c) Interest shall accrue from the date a Revolver Loan is advanced or Obligation is incurred or payable, until paid in full by Borrowers, and shall in no event be less than zero at any time. Interest accrued on the Revolver Loans shall be due and payable in arrears, (i) on the first day of each month; (ii) on any date of prepayment, with respect to the principal amount being prepaid; and (iii) on the Commitment Termination Date. Interest accrued on any other Obligations shall be due and payable as provided in the applicable agreements or, if no payment date is specified, **on demand**.

3.1.2 Application of LIBOR to Outstanding Revolver Loans.

(a) Borrowers may on any Business Day elect to convert any portion of the Floating Rate Loans to, or to continue any LIBOR Loan at the end of its Interest Period as, an LIBOR Loan. During any Default or Event of Default, Agent may (and shall at the direction of Required Lenders) declare that no Revolver Loan may be made, converted or continued as an LIBOR Loan.

(b) To convert or continue Revolver Loans as LIBOR Loans, Borrower Agent shall give Agent a Notice of Conversion/Continuation, no later than 11:00 a.m. at least two Business Days before the requested conversion or continuation date. Promptly after receiving any such notice, Agent shall notify each Lender thereof. Each Notice of Conversion/Continuation shall be irrevocable, and shall specify the amount of Revolver Loans to be converted or continued, the conversion or continuation date (which shall be a Business Day), and the duration of the Interest Period (which shall be deemed to be 30 days if not specified). If, upon the expiration of any Interest Period for any LIBOR Loan, Borrowers shall have failed to deliver a Notice of Conversion/Continuation, they shall be deemed to have elected to convert such Revolver Loan into a Floating Rate Loan. Agent does not warrant or accept responsibility for, nor shall it have any liability with respect to, administration, submission or any other matter related to any rate described in the definition of LIBOR.

3.1.3 Interest Periods. Borrowers shall select an interest period ("Interest Period") of 30, 60 or 90 days to apply to each LIBOR Loan; provided, that:

(a) the Interest Period shall begin on the date the Revolver Loan is made or continued as, or converted into, a LIBOR Loan, and shall expire on the numerically corresponding day in the calendar month at its end;

(b) if any Interest Period begins on a day for which there is no corresponding day in the calendar month at its end or if such corresponding day falls after the last Business Day of such month, then the Interest Period shall expire on the last Business Day of such month; and if any Interest Period would otherwise expire on a day that is not a Business Day, the period shall expire on the next Business Day; and

(c) no Interest Period shall extend beyond the Revolver Termination Date.

3.1.4 Interest Rate Not Ascertainable. If, due to any circumstance affecting the London interbank market, Agent determines that adequate and fair means do not exist for ascertaining LIBOR on any applicable date or that any Interest Period is not available on the basis provided herein, then Agent shall immediately notify Borrowers of such determination. Until Agent notifies Borrowers that such circumstance no longer exists, the obligation of Lenders to make affected LIBOR Loans shall be suspended and no further Revolver Loans may be converted into or continued as LIBOR Loans.

3.2 Fees.

3.1.1 Unused Line Fee. Borrowers shall pay to Agent, for the Pro Rata benefit of Lenders, a fee equal to the Unused Line Fee Rate times the amount by which the Revolver Commitments exceed the average daily Revolver Usage during any month. Such fee shall be payable in arrears, on the first day of each month and on the Commitment Termination Date.

3.1.2 LC Facility Fees. Borrowers shall pay (a) to Agent, for the Pro Rata benefit of Lenders, a fee equal to the Applicable Margin in effect for LIBOR Loans times the average daily Stated Amount of Letters of Credit, which fee shall be payable monthly in arrears, on the first day of each month; (b) to Agent, for its own account, a fronting fee at the rate of 0.125% per annum on the Stated Amount of each Letter of Credit, payable monthly in arrears on the first day of each month; and (c) to Issuing Bank, for its own account, all customary charges associated with the issuance, amending, negotiating, payment, processing, transfer and administration of Letters of Credit, which charges shall be paid as and when incurred. During an Event of Default, the fee payable under clause (a) shall be increased by 2% per annum.

3.1.3 Closing Fee. On the Closing Date, Borrowers shall pay to Agent, for the Pro Rata benefit of Lenders, a closing fee equal to 0.375% of the Revolver Commitments.

3.3 Computation of Interest, Fees, Yield Protection. All interest, as well as fees and other charges calculated on a per annum basis, shall be computed for the actual days elapsed, based on a year of 365 days with respects to amounts denominated in Sterling and 360 days with respect to all other amounts. Each determination by Agent of any interest, fees or interest rate hereunder shall be final, conclusive and binding for all purposes, absent manifest error. All fees shall be fully earned when due and shall not be subject to rebate, refund or proration. All fees payable under **Section 3.2** are compensation for services and are not, and shall not be deemed to be, interest or any other charge for the use, forbearance or detention of money. A certificate as to amounts payable by Borrowers under **Section 3.4, 3.6, 3.7, 3.9, 5.9** or **5.12**, submitted to Borrower Agent by Agent or the affected Lender shall be final, conclusive and binding for all purposes, absent manifest error, and Borrowers shall pay such amounts to the appropriate party within 10 days following receipt of the certificate.

3.4 Reimbursement Obligations. Borrowers shall pay all Extraordinary Expenses promptly upon request. Borrowers shall also reimburse Agent for all legal, accounting, appraisal, consulting, and other fees and expenses incurred by it in connection with (a) negotiation and preparation of any Loan Documents, including any modification thereof; (b) administration of and actions relating to any Collateral, Loan Documents and transactions contemplated thereby, including any actions taken to perfect or maintain priority of Agent's Liens on any Collateral, to maintain any insurance required hereunder or to verify Collateral; and (c) subject to the limits of **Section 10.1.1(b)**, any examination or appraisal with respect to any Obligor or Collateral by Agent's personnel or a third party. All legal, accounting and consulting fees shall be charged to Borrowers by Agent's professionals at their full hourly rates, regardless of any alternative fee arrangements that Agent, any Lender or any of their Affiliates may have with such professionals that otherwise might apply to this or any other transaction. Borrowers acknowledge that counsel may provide Agent with a benefit (such as a discount, credit or accommodation for other matters) based on counsel's overall relationship with Agent, including fees paid hereunder. If, for any reason (including inaccurate reporting in any Borrower Materials), it is determined that a higher Applicable Margin should have applied to a period than was actually applied, then the proper margin shall be applied retroactively and Borrowers shall immediately pay to Agent, for the ratable benefit of Lenders, an amount equal to the difference between the amount of interest and fees that would have accrued using the proper margin and the amount actually paid. All amounts payable by Borrowers under this Section shall be due **on demand**.

3.5 Illegality. If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender to perform any of its obligations hereunder, to make, maintain, fund, participate in, or charge applicable interest or fees with respect to, any Revolver Loan or Letter of Credit, or to determine or charge interest based on LIBOR, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to Agent, any obligation of such Lender to perform such obligations, to make, maintain, fund or participate in the Revolver Loan or Letter of Credit (or to charge interest or fees otherwise applicable thereto), or to continue or convert Revolver Loans as LIBOR Loans, shall be suspended until such Lender notifies Agent that the circumstances giving rise to such determination no longer exist. Upon delivery of such notice, Borrowers shall prepay the applicable Revolver Loan, Cash Collateralize the applicable LC Obligations or, if applicable, convert LIBOR Loan(s) of such Lender to Floating Rate Loan(s), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain the LIBOR Loan to such day, or immediately, if such Lender may not lawfully continue to maintain the LIBOR Loan. Upon any such prepayment or conversion, Borrowers shall also pay accrued interest on the amount so prepaid or converted.

3.6 Inability to Determine Rates. Agent will promptly notify Borrower Agent and Lenders if, in connection with any Revolver Loan or request for a Revolver Loan, (a) Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable Revolver Loan amount or Interest Period, or (ii) adequate and reasonable means do not exist for determining LIBOR for the Interest Period; or (b) Agent or Required Lenders determine for any reason that LIBOR for the Interest Period does not adequately and fairly reflect the cost to Lenders of funding the Revolver Loan. Thereafter, Lenders' obligations to make or maintain affected LIBOR Loans and utilization of the LIBOR component (if affected) in determining Base Rate or Foreign Base Rate shall be suspended until Agent (upon instruction by Required Lenders) withdraws the notice. Upon receipt of such notice, Borrower Agent may revoke any pending request for a LIBOR Loan or, failing that, will be deemed to have requested a Floating Rate Loan.

3.7 Increased Costs; Capital Adequacy.

3.1.1 Increased Costs Generally. If any Change in Law shall:

(a) impose, modify or deem applicable any reserve, liquidity, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in calculating LIBOR) or Issuing Bank;

(b) subject any Recipient to Taxes (other than (A) in respect of Taxes imposed by any jurisdiction other than the United Kingdom: (i) Indemnified Taxes,
(ii) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (iii) Connection Income Taxes; and (B) in respect of Taxes imposed by the United Kingdom to the extent that any increased cost is: (i) attributable to a Tax Deduction required by law to be made by an Obligor; (ii) attributable to a FATCA

Deduction required to be made by a Party; or (iii) compensated for by Clause 5.12.3 (Tax indemnity) (or would have been compensated for under Clause 5.12.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 5.12.3 (Tax indemnity) applied)) with respect to any Revolver Loan, Letter of Credit, Revolver Commitment or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(c) impose on any Lender, Issuing Bank or interbank market any other condition, cost or expense (other than Taxes) affecting any Revolver Loan, Letter of Credit, participation in LC Obligations, Revolver Commitment or Loan Document;

and the result thereof shall be to increase the cost to a Lender of making or maintaining any Revolver Loan or Revolver Commitment, or converting to or continuing any interest option for a Revolver Loan, or to increase the cost to a Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by a Lender or Issuing Bank hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or Issuing Bank, Borrowers will pay to it such additional amount(s) as will compensate it for the additional costs incurred or reduction suffered.

3.1.2 Capital Requirements. If a Lender or Issuing Bank determines that a Change in Law affecting such Lender or Issuing Bank or its holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's, Issuing Bank's or holding company's capital as a consequence of this Agreement, or such Lender's or Issuing Bank's Revolver Commitments, Revolver Loans, Letters of Credit or participations in LC Obligations or Revolver Loans, to a level below that which such Lender, Issuing Bank or holding company could have achieved but for such Change in Law (taking into consideration its policies with respect to capital adequacy), then from time to time Borrowers will pay to such Lender or Issuing Bank, as the case may be, such additional amounts as will compensate it or its holding company for the reduction suffered.

3.1.3 Loan Reserves. If any Lender is required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, such Lender shall give 5 days' prior written notice thereof to Borrowers (with a copy to Agent) and Borrowers shall pay additional interest to such Lender on each LIBOR Loan equal to the costs of such reserves allocated to the Revolver Loan by the Lender (as determined by it in good faith, which determination shall be conclusive). The additional interest shall be due and payable on each interest payment date for the Revolver Loan; provided, that if the Lender notifies Borrowers (with a copy to Agent) of the additional interest less than 10 days prior to the interest payment date, then such interest shall be payable 10 days after Borrowers' receipt of the notice.

3.1.4 Compensation. Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of its right to demand such compensation, but Borrowers shall not be required to compensate a Lender

or Issuing Bank for any increased costs or reductions suffered more than nine months (plus any period of retroactivity of the Change in Law giving rise to the demand) prior to the date that the Lender or Issuing Bank notifies Borrower Agent of the applicable Change in Law and of such Lender's or Issuing Bank's intention to claim compensation therefor.

3.1 Mitigation. If any Lender gives a notice under **Section 3.5** or requests compensation under **Section 3.7**, or if Borrowers are required to pay any Indemnified Taxes or additional amounts with respect to a Lender under **Sections 5.9** and/or **5.12**, then at the request of Borrower Agent, such Lender shall use reasonable efforts to designate a different Lending Office or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (a) would eliminate the need for such notice or reduce amounts payable or to be withheld in the future, as applicable; and (b) would not subject the Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to it or unlawful. Borrowers shall pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

3.2 Funding Losses. If for any reason (a) any Borrowing, conversion or continuation of a LIBOR Loan does not occur on the date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation (whether or not withdrawn), (b) any repayment or conversion of a LIBOR Loan occurs on a day other than the end of its Interest Period, (c) Borrowers fail to repay a LIBOR Loan when required hereunder, or (d) a Lender (other than a Defaulting Lender) is required to assign a LIBOR Loan prior to the end of its Interest Period pursuant to **Section 13.4**, then Borrowers shall pay to Agent its customary administrative charge and to each Lender all losses, expenses and fees arising from redeployment of funds or termination of match funding. For purposes of calculating amounts payable under this Section, a Lender shall be deemed to have funded a LIBOR Loan by a matching deposit or other borrowing in the London interbank market for a comparable amount and period, whether or not the Revolver Loan was in fact so funded.

3.3 Maximum Interest. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law ("maximum rate"). If Agent or any Lender shall receive interest in an amount that exceeds the maximum rate, the excess interest shall be applied to the principal of the Obligations or, if it exceeds such unpaid principal, refunded to Borrowers. In determining whether the interest contracted for, charged or received by Agent or a Lender exceeds the maximum rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest; (b) exclude voluntary prepayments and the effects thereof; and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

SECTION 4. LOAN ADMINISTRATION

4.1 Manner of Borrowing and Funding Revolver Loans.

4.1.1 Notice of Borrowing.

(a) To request Revolver Loans, Borrower Agent shall give Agent a Notice of Borrowing by 11:00 a.m. (i) on the requested funding date, in the case of Base Rate Loans and Foreign Base Rate Loans, and (ii) at least two Business Days prior to the requested funding date, in the case of LIBOR Loans. Notices received by Agent after such time shall be deemed received on the next Business Day. Each Notice of Borrowing shall be irrevocable and shall specify (A) the Borrowing amount, (B) the requested funding date (which must be a Business Day), (C) whether the Borrowing is to be made as a Floating Rate Loan or LIBOR Loan, (D) in the case of a LIBOR Loan, the applicable Interest Period (which shall be deemed to be 30 days if not specified), (E) whether such Revolver Loan is to be advanced to Promethean U.S. or Promethean U.K., and (F) the Available Currency in which the applicable Revolver Loan is requested to be made.

(b) Unless payment is otherwise made by Borrowers, the becoming due of any Obligation (whether principal, interest, fees or other charges, including Extraordinary Expenses, LC Obligations, Cash Collateral and Secured Bank Product Obligations) shall be deemed to be a request for a Floating Rate Loan on the due date in the amount due and the Revolver Loan proceeds shall be disbursed as direct payment of such Obligation. In addition, Agent may, at its option, charge such amount against any operating, investment or other account of a Borrower maintained with Agent or any of its Affiliates.

(c) If a Borrower maintains a disbursement account with Agent, U.K. Security Trustee or any of their respective Affiliates, then presentation for payment in the account of a Payment Item when there are insufficient funds to cover it shall be deemed to be a request for a Floating Rate Loan on the presentation date, in the amount of the Payment Item. Proceeds of the Revolver Loan may be disbursed directly to the account.

4.1.2 Fundings by Lenders. Except for Swingline Loans, Agent shall endeavor to notify Lenders of each Notice of Borrowing (or deemed request for a Borrowing) by 1:00 p.m. on the proposed funding date for a Base Rate Loan or by 3:00 p.m. two Business Days before a proposed funding of a Foreign Base Rate Loan or a LIBOR Loan. Each Lender shall fund its Pro Rata share of a Borrowing in immediately available funds not later than 3:00 p.m. on the requested funding date, unless Agent's notice is received after the times provided above, in which case Lender shall fund by 11:00 a.m. on the next Business Day. Subject to its receipt of such amounts from Lenders, Agent shall disburse the Borrowing proceeds in a manner directed by Borrower Agent and acceptable to Agent. Unless Agent receives (in sufficient time to act) written notice from a Lender that it will not fund its share of a Borrowing, Agent may assume that such Lender has deposited or promptly will deposit its share with Agent, and Agent may disburse a corresponding

amount to Borrowers. If a Lender's share of a Borrowing or of a settlement under **Section 4.1.3(b)** is not received by Agent, then Borrowers agree to repay to Agent **on demand** the amount of such share, together with interest thereon from the date disbursed until repaid, at the rate applicable to the Borrowing. Agent, a Lender or Issuing Bank may fulfill its obligations under Loan Documents through one or more Lending Offices, and this shall not affect any obligation of Obligors under the Loan Documents or with respect to any Obligations.

4.1.3 Swingline Loans; Settlement.

(a) To fulfill any request for a Floating Rate Loan hereunder, Agent may in its discretion advance Swingline Loans to Borrowers, up to an aggregate outstanding amount equal to 10% of the Revolver Commitments. Swingline Loans shall constitute Revolver Loans for all purposes, except that payments thereon shall be made to Agent for its own account until settled with or funded by Lenders hereunder.

(b) Settlement of Revolver Loans, including Swingline Loans, among Lenders and Agent shall take place on a date determined from time to time by Agent (but at least weekly, unless the settlement amount is de minimis), on a Pro Rata basis in accordance with the Settlement Report delivered by Agent to Lenders. Between settlement dates, Agent may in its discretion apply payments on Revolver Loans to Swingline Loans, regardless of any designation by Borrowers or anything herein to the contrary. Each Lender hereby purchases, without recourse or warranty, an undivided Pro Rata participation in all Swingline Loans outstanding from time to time until settled. If a Swingline Loan cannot be settled among Lenders, whether due to an Obligor's Insolvency Proceeding or for any other reason, each Lender shall pay the amount of its participation in the Revolver Loan to Agent, in immediately available funds, within one Business Day after Agent's request therefor. Lenders' obligations to make settlements and to fund participations are absolute, irrevocable and unconditional, without offset, counterclaim or other defense, and whether or not the Revolver Commitments have terminated, an Overadvance exists or the conditions in **Section 6** are satisfied.

4.1.4 Notices.If Borrowers request, convert or continue Revolver Loans, select interest rates or transfer funds based on telephonic or electronic instructions to Agent, Borrowers shall confirm the request by prompt delivery to Agent of a Notice of Borrowing or Notice of Conversion/Continuation, as applicable. Agent and Lenders are not liable for any loss suffered by a Borrower as a result of Agent acting on its understanding of telephonic or electronic instructions from a person believed in good faith to be authorized to give instructions on a Borrower's behalf.

4.1 Defaulting Lender. Notwithstanding anything herein to the contrary, to the extent permitted by Applicable Law:

4.1.1 Reallocation of Pro Rata Share; Amendments. For purposes of determining Lenders' obligations or rights to fund, participate in or receive collections with respect to

Revolver Loans and Letters of Credit (including existing Swingline Loans, Protective Advances and LC Obligations), Agent may in its discretion reallocate Pro Rata shares by excluding a Defaulting Lender's Revolver Commitments and Revolver Loans from the calculation of shares. A Defaulting Lender shall have no right to vote on any amendment, waiver or other modification of a Loan Document, except as provided in **Section 14.1.1(c)**.

4.1.2 Payments; Fees. Agent may, in its discretion, receive and retain any amounts payable to a Defaulting Lender under the Loan Documents, and a Defaulting Lender shall be deemed to have assigned to Agent such amounts until all Obligations owing to Agent, non-Defaulting Lenders and other Secured Parties have been paid in full. Agent may use such amounts to cover the Defaulting Lender's defaulted obligations, to Cash Collateralize such Lender's Fronting Exposure, to readvance the amounts to Borrowers or to repay Obligations. A Lender shall not be entitled to receive any fees accruing hereunder while it is a Defaulting Lender and its unfunded Revolver Commitment shall be disregarded for purposes of calculating the unused line fee under **Section 3.2.1**. Notwithstanding anything to the contrary herein, the Obligors shall not be required to pay to any Defaulting Lender, the Agent or any other Person any unused line fee under **Section**
3.2.1 with respect to any unfunded Revolver Commitment held by any Defaulting Lender. If any LC Obligations owing to a Defaulted Lender or unfunded Revolver Commitment held by any Defaulting Lender are reallocated to other Lenders, fees attributable to such LC Obligations under **Section 3.2.2** or to such unfunded Revolver Commitment under **Section 3.2.1**, as applicable, shall be paid to such Lenders. Agent shall be paid all fees attributable to LC Obligations that are not reallocated.

4.1.3 Status; Cure. Agent may determine in its discretion that a Lender constitutes a Defaulting Lender and the effective date of such status shall be conclusive and binding on all parties, absent manifest error. Borrowers, Agent and Issuing Bank may agree in writing that a Lender has ceased to be a Defaulting Lender, whereupon Pro Rata shares shall be reallocated without exclusion of the reinstated Lender's Revolver Commitments and Revolver Loans, and the Revolver Usage and other exposures under the Revolver Commitments shall be reallocated among Lenders and settled by Agent (with appropriate payments by the reinstated Lender, including its payment of breakage costs for reallocated LIBOR Loans) in accordance with the readjusted Pro Rata shares. Unless expressly agreed by Borrowers, Agent and Issuing Bank, or as expressly provided herein with respect to Bail-In Actions and related matters, no reallocation of Revolver Commitments and Revolver Loans to non-Defaulting Lenders or reinstatement of a Defaulting Lender shall constitute a waiver or release of claims against such Lender. The failure of any Lender to fund a Revolver Loan, to make a payment in respect of LC Obligations or otherwise to perform obligations hereunder shall not relieve any other Lender of its obligations under any Loan Document. No Lender shall be responsible for default by another Lender.

4.2 Number and Amount of LIBOR Loans; Determination of Rate. Each Borrowing of LIBOR Loans when made shall be in a minimum amount of $1,000,000, plus an increment of $100,000 in excess thereof. No more than 5 Borrowings of LIBOR Loans may be outstanding at any time, and all LIBOR Loans having the same length and beginning date of their Interest Periods shall be aggregated together and considered one Borrowing for this purpose. Upon

determining LIBOR for any Interest Period requested by Borrowers, Agent shall promptly notify Borrowers thereof by telephone or electronically and, if requested by Borrowers, shall confirm any telephonic notice in writing.

4.3 Borrower Agent. Each Borrower hereby designates Promethean U.S. ("Borrower Agent") as its representative and agent for all purposes under the Loan Documents, including requests for and receipt of Revolver Loans and Letters of Credit, designation of interest rates, delivery or receipt of communications, delivery of Borrower Materials, payment of Obligations, requests for waivers, amendments or other accommodations, actions under the Loan Documents (including in respect of compliance with covenants), and all other dealings with Agent, Issuing Bank or any Lender. Borrower Agent hereby accepts such appointment. Agent and Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any notice of borrowing) delivered by Borrower Agent on behalf of any Borrower. Agent and Lenders may give any notice or communication with a Borrower hereunder to Borrower Agent on behalf of such Borrower. Each of Agent, Issuing Bank and Lenders shall have the right, in its discretion, to deal exclusively with Borrower Agent for all purposes under the Loan Documents. Each Borrower agrees that any notice, election, communication, delivery, representation, agreement, action, omission or undertaking by Borrower Agent shall be binding upon and enforceable against such Borrower.

4.4 One Obligation. The Revolver Loans, LC Obligations and other Obligations constitute one general obligation of Borrowers and are secured by Agent's Lien on all Collateral; provided, that Agent and each Lender shall be deemed to be a creditor of, and the holder of a separate claim against, each Borrower to the extent of any Obligations jointly or severally owed by such Borrower.

4.5 Effect of Termination. On the effective date of the termination of all Revolver Commitments, the Obligations shall be immediately due and payable, and each Secured Bank Product Provider may terminate its Bank Products. Until Full Payment of the Obligations, all undertakings of Borrowers contained in the Loan Documents shall continue, and Agent shall retain its Liens in the Collateral and all of its rights and remedies under the Loan Documents. Agent shall not be required to terminate its Liens unless it receives Cash Collateral or a written agreement, in each case satisfactory to it, protecting Agent and Lenders from dishonor or return of any Payment Item previously applied to the Obligations. **Sections 2.3, 3.4, 3.6, 3.7, 3.9, 5.5, 5.9, 5.10**, **5.12**, **12, 14.2**, this Section, and each indemnity or waiver given by an Obligor or Lender in any Loan Document, shall survive Full Payment of the Obligations.

SECTION 5. PAYMENTS

5.1 General Payment Provisions. All payments of Obligations shall be made in the currency in which it was incurred, without offset, counterclaim or defense of any kind, free and clear of (and without deduction for) any Taxes, except as required by Applicable Law, and in immediately available funds, not later than 12:00 noon on the due date. Any payment after such time shall be deemed made on the next Business Day. Any payment of a LIBOR Loan prior to the end of its Interest Period shall be accompanied by all amounts due under **Section 3.9**. Borrowers agree that Agent shall have the continuing, exclusive right to apply and reapply payments and proceeds of Collateral against the Obligations, in such manner as Agent deems advisable, but

whenever possible, any prepayment of Revolver Loans shall be applied first to Floating Rate Loans and then to LIBOR Loans.

5.2 Repayment of Revolver Loans. Revolver Loans shall be due and payable in full on the Revolver Termination Date, unless payment is sooner required hereunder. Revolver Loans may be prepaid from time to time, without penalty or premium. Subject to **Section 2.1.5**, if an Overadvance exists at any time, Borrowers shall, on the sooner of Agent's demand or the first Business Day after any Borrower has knowledge thereof, repay Revolver Loans in an amount sufficient to reduce Revolver Usage to the Borrowing Base. If any Asset Disposition includes the disposition of Accounts, Borrowers shall apply Net Proceeds to repay Revolver Loans equal to the greater of (a) the net book value of such Accounts, or (b) the reduction in Borrowing Base resulting from the disposition.

5.3 Reserved.

5.4 Payment of Other Obligations. Obligations other than Revolver Loans, including LC Obligations and Extraordinary Expenses, shall be paid by Borrowers as provided in the Loan Documents or, if no payment date is specified, **on demand**.

5.5 Marshaling; Payments Set Aside. None of Agent or Lenders shall be under any obligation to marshal any assets in favor of any Obligor or against any Obligations. If any payment by or on behalf of Borrowers is made to Agent, Issuing Bank or any Lender, or if Agent, Issuing Bank or any Lender exercises a right of setoff, and any of such payment or setoff is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Agent, Issuing Bank or a Lender in its discretion) to be repaid to a trustee, receiver or any other Person, then the Obligation originally intended to be satisfied, and all Liens, rights and remedies relating thereto, shall be revived and continued in full force and effect as if such payment or setoff had not occurred.

5.6 Application and Allocation of Payments.

5.1.1 Application. Payments made by Borrowers hereunder shall be applied (a) first, as specifically required hereby; (b) second, to Obligations then due and owing; (c) third, to other Obligations specified by Borrowers; (d) fourth, to other Obligations then outstanding; and (e) fifth, to the Borrowers or to such other Persons as may then be entitled under Applicable Law.

5.1.2 Post-Default Allocation. Notwithstanding anything in any Loan Document to the contrary, during an Event of Default under **Section 11.1(j)**, or during any other Event of Default at the discretion of Agent or Required Lenders, monies to be applied to the Obligations, whether arising from payments by Obligors, realization on Collateral, setoff or otherwise, shall be allocated as follows:

(a) first, to all fees, indemnification, costs and expenses, including Extraordinary Expenses, owing to Agent;

(b) second, to all other amounts owing to Agent, including Swingline Loans, Protective Advances, and Revolver Loans and participations that a Defaulting Lender has failed to settle or fund;

(c) third, to all amounts owing to Issuing Bank;

(d) fourth, to all Obligations (other than Secured Bank Product Obligations) constituting fees, indemnification, costs or expenses owing to Lenders;

(e) fifth, to all Obligations (other than Secured Bank Product Obligations) constituting interest;

(f) sixth, to Cash Collateralize all LC Obligations;

(g) seventh, to all Revolver Loans, and to Secured Bank Product Obligations arising under Hedge Agreements (including Cash Collateralization thereof) up to the amount of Availability Reserves existing therefor;

(h) eighth, to all other Secured Bank Product Obligations;

(i) ninth, to all remaining Obligations; and

(j) tenth, to the Borrowers or as otherwise required by Applicable Law.

Amounts shall be applied to payment of each category of Obligations only after Full Payment of amounts payable from time to time under all preceding categories. If amounts are insufficient to satisfy a category, they shall be paid ratably among outstanding Obligations in the category. Monies and proceeds obtained from an Obligor shall not be applied to its Excluded Swap Obligations, but appropriate adjustments shall be made with respect to amounts obtained from other Obligors to preserve the allocations in each category. Agent shall have no obligation to calculate the amount of any Secured Bank Product Obligation and may request a reasonably detailed calculation thereof from a Secured Bank Product Provider. If the provider fails to deliver the calculation within five days following request, Agent may assume the amount is zero. The allocations in this Section are solely to determine the priorities among Secured Parties and may be changed by agreement of affected Secured Parties without the consent of any Obligor. This Section is not for the benefit of or enforceable by any Obligor, and no Obligor has any right to direct the application of payments or Collateral proceeds subject to this Section.

5.1.3 Erroneous Application. Agent shall not be liable for any application of amounts made by it in good faith and, if any such application is subsequently determined to have been made in error, the sole recourse of any Lender or other Person to which such amount should have been paid shall be to recover the amount from the Person that actually received it (and, if such amount was received by a Secured Party, the Secured Party agrees to return it).

5.7 Dominion Account. The ledger balance in the main Dominion Account as of the end of a Business Day shall be applied to the Obligations at the beginning of the next Business

Day, during any Trigger Period; provided, that the ledger balance in the Dominion Account into which the Account Debtors of Promethean U.K. are deposited shall be applied to the Obligations at the beginning of the next Business Day regardless of the existence of a Trigger Period. Any resulting credit balance shall not accrue interest in favor of Borrowers and shall be made available to Borrowers as long as no Default or Event of Default exists.

5.8 **Account Stated**. Agent shall maintain, in accordance with its customary practices, loan account(s) evidencing the Debt of Borrowers hereunder. Any failure of Agent to record anything in a loan account, or any error in doing so, shall not limit or otherwise affect the obligation of Borrowers to pay any amount owing hereunder. Entries made in a loan account shall constitute presumptive evidence of the information contained therein. If any information contained in a loan account is provided to or inspected by any Person, the information shall be conclusive and binding on such Person for all purposes absent manifest error, except to the extent such Person notifies Agent in writing within 30 days after receipt or inspection that specific information is subject to dispute.

5.9 **Taxes.**

5.1.1 Payments Free of Taxes; Obligation to Withhold; Tax Payment

(a) All payments of Obligations by Obligors shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If Applicable Law (as determined by an applicable Withholding Agent in its discretion) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then such Withholding Agent shall be entitled to make such deduction or withholding taking into account information and documentation provided pursuant to **Section 5.10**.

(b) If Agent or any Obligor is required by the Code to withhold or deduct Taxes, including backup withholding and withholding taxes, from any payment, then (i) Agent shall pay the full amount that it determines is to be withheld or deducted to the relevant Governmental Authority pursuant to the Code, and (ii) to the extent the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Obligor shall be increased as necessary so that the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(c) If Withholding Agent is required by any Applicable Law other than the Code to withhold or deduct Taxes from any payment, then (i) Withholding Agent, to the extent required by Applicable Law, shall timely pay the full amount to be withheld or deducted to the relevant Governmental Authority, and (ii) to the extent the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Obligor shall be increased as necessary so that the Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

5.1.2 Payment of Other Taxes. Without limiting the foregoing, Borrowers shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at Agent's option, timely reimburse Agent for payment of, any Other Taxes.

5.1.3 Tax Indemnification.

(a) Each Borrower shall indemnify and hold harmless, on a joint and several basis, each Recipient against any Indemnified Taxes (including those imposed or asserted on or attributable to amounts payable under this Section) payable or paid by a Recipient or required to be withheld or deducted from a payment to a Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Borrower shall indemnify and hold harmless Agent against any amount that a Lender or Issuing Bank fails for any reason to pay indefeasibly to Agent as required pursuant to this Section; provided, that the Borrowers shall not be required to indemnify the Agent for any amount attributable to the Agent's gross negligence or willful misconduct. Each Borrower shall make payment within 10 days after demand for any amount or liability payable under this Section. A certificate as to the amount of such payment or liability delivered to Borrowers by a Lender or Issuing Bank (with a copy to Agent), or by Agent on its own behalf or on behalf of any Recipient, accompanied by a written statement thereof setting forth in reasonable detail the basis and calculation of such amounts, shall be conclusive absent manifest error.

(b) Each Lender and Issuing Bank shall indemnify and hold harmless, on a several basis, (i) Agent against any Indemnified Taxes attributable to such Lender or Issuing Bank (but only to the extent Borrowers have not already paid or reimbursed Agent therefor and without limiting Borrowers' obligation to do so),
(ii) Agent and Obligors, as applicable, against any Taxes attributable to such Lender's failure to maintain a Participant register as required pursuant to **Section 13.2.3**, and (iii) Agent and Obligors, as applicable, against any Excluded Taxes attributable to such Lender or Issuing Bank, in each case, that are payable or paid by Agent or an Obligor in connection with any Obligations, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Lender and Issuing Bank shall make payment within 10 days after demand for any amount or liability payable under this Section. A certificate as to the amount of such payment or liability delivered to any Lender or Issuing Bank by Agent shall be conclusive absent manifest error.

5.1.4 Evidence of Payments. As soon as practicable after payment by an Obligor of any Taxes pursuant to this Section, Borrower Agent shall deliver to Agent the original or a certified copy of a receipt issued by the appropriate Governmental Authority evidencing the payment, a copy of any return required by Applicable Law to report the payment or other evidence of payment reasonably satisfactory to Agent.

5.1.5 Treatment of Certain Refunds. Unless required by Applicable Law, at no time shall Agent have any obligation to file for or otherwise pursue on behalf of a Lender or Issuing Bank, nor have any obligation to pay to any Lender or Issuing Bank, any refund of Taxes withheld or deducted from funds paid for the account of a Lender or Issuing Bank. If a Recipient determines in its good faith discretion that it has received a refund of Taxes (including any Tax credit in lieu of refund) that were indemnified by Borrowers or with respect to which a Borrower paid additional amounts pursuant to this Section, it shall pay the amount of such refund to Borrowers (but only to the extent of indemnity payments or additional amounts actually paid by Borrowers with respect to the Taxes giving rise to the refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient and without interest (other than interest paid by the relevant Governmental Authority with respect to such refund). Borrowers shall, upon request by the Recipient, repay to the Recipient such amount paid over to Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) if the Recipient is required to repay such refund to the Governmental Authority. Notwithstanding anything herein to the contrary, no Recipient shall be required to pay any amount to Borrowers if such payment would place it in a less favorable net after-Tax position than it would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. In no event shall Agent or any Recipient be required to make its tax returns (or any other information relating to its taxes that it deems confidential) available to any Obligor or other Person.

5.1.6 Survival. Each party's obligations under **Sections 5.9** and **5.10** shall survive the resignation or replacement of Agent or any assignment of rights by or replacement of a Lender or Issuing Bank, the termination of the Revolver Commitments, and the repayment, satisfaction, discharge or Full Payment of any Obligations.

5.10 Lender Tax Information.

5.1.1 Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments of Obligations shall deliver to Borrowers and Agent properly completed and executed documentation reasonably requested by Borrowers or Agent as will permit such payments to be made without or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrowers or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Borrowers or Agent to enable them to determine whether such Lender is subject to backup withholding or information reporting requirements. Notwithstanding the foregoing, such documentation (other than documentation described in **Sections 5.10.2(a), (b)** and **(d)**) shall not be required if a Lender reasonably believes delivery of the documentation would subject it to any material unreimbursed cost or expense or would materially prejudice its legal or commercial position.

5.1.2 Documentation. Without limiting the foregoing, if any Borrower is a U.S. Person or a CFC,

(a) Any Lender that is a U.S. Person shall deliver to Borrowers and Agent on or prior to the date on which such Lender becomes a Lender hereunder (and from time to time thereafter upon reasonable request of Borrowers or Agent), executed copies of IRS Form W-9 (or any successor form), certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(b) Any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrowers and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender hereunder (and from time to time thereafter upon reasonable request of Borrowers or Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or any successor form) establishing an exemption from or reduction of U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty, and (y) with respect to other payments under the Loan Documents, IRS Form W-8BEN-E (or any successor form) establishing an exemption from or reduction of U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

executed copies of IRS Form W-8ECI (or any successor form);

(ii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate in form satisfactory to Agent to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code ("U.S. Tax Compliance Certificate"), and (y) executed copies of IRS Form W-8BEN-E; or

(iii) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY (or any successor form), accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate in form satisfactory to Agent, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable (or any successor form); provided, that if the Foreign Lender is a partnership and one or more of its direct or indirect partners is claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate on behalf of each such partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrowers and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender hereunder (and from time to time thereafter upon reasonable request), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed

by Applicable Law to permit Borrowers or Agent to determine the withholding or deduction required to be made; and

(d) if payment of an Obligation to a Lender would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code), such Lender shall deliver to Borrowers and Agent, at the time(s) prescribed by Applicable Law and otherwise upon reasonable request, such documentation prescribed by Applicable Law (including Section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be appropriate for Borrowers or Agent to comply with their obligations under FATCA and to determine that such Lender has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), "FATCA" shall include any amendments made to FATCA after the date hereof and for purposes of **Sections 5.9** and **5.10**, "Applicable Law" shall include FATCA..

5.1.3 Redelivery of Documentation. If any form or certification previously delivered by a Lender pursuant to this Section expires or becomes obsolete or inaccurate in any respect, such Lender shall promptly update the form or certification or notify Borrowers and Agent in writing of its inability to do so.

5.11 Nature and Extent of Each Borrower's Liability.

5.1.1 Joint and Several Liability. Each Borrower agrees that it is jointly and severally liable for, and absolutely and unconditionally guarantees to Agent and Lenders the prompt payment and performance of, all Obligations, except its Excluded Swap Obligations. Each Borrower agrees that its guaranty obligations hereunder constitute a continuing guaranty of payment and not of collection, that such obligations shall not be discharged until Full Payment of the Obligations, and that such obligations are absolute and unconditional, irrespective of (a) the genuineness, validity, regularity, enforceability, subordination or any future modification of, or change in, any Obligations or Loan Document, or any other document, instrument or agreement to which any Obligor is or may become a party or be bound; (b) the absence of any action to enforce this Agreement (including this Section) or any other Loan Document, or any waiver, consent or indulgence of any kind by Agent or any Lender with respect thereto; (c) the existence, value or condition of, or failure to perfect a Lien or to preserve rights against, any security or guaranty for any Obligations or any action, or the absence of any action, by Agent or any Lender in respect thereof (including the release of any security or guaranty); (d) the insolvency of any Obligor; (e) any election by Agent or any Lender in an Insolvency Proceeding for the application of Section 1111(b)(2) of the Bankruptcy Code; (f) any borrowing or grant of a Lien by any other Borrower, as debtor-in-possession under Section 364 of the Bankruptcy Code or otherwise; (g) the disallowance of any claims of Agent or any Lender against any Obligor for the repayment of any Obligations under Section 502 of the Bankruptcy Code or otherwise; or (h) any other action or circumstances that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, except Full Payment of the Obligations.

5.1.2 Waivers.

(a) Each Borrower expressly waives all rights that it may have now or in the future under any statute, at common law, in equity or otherwise, to compel Agent or Lenders to marshal assets or to proceed against any Obligor, other Person or security for the payment or performance of any Obligations before, or as a condition to, proceeding against such Borrower. Each Borrower waives all defenses available to a surety, guarantor or accommodation co-obligor other than Full Payment of Obligations and waives, to the maximum extent permitted by law, any right to revoke any guaranty of Obligations as long as it is a Borrower. It is agreed among each Borrower, Agent and Lenders that the provisions of this **Section 5.11** are of the essence of the transaction contemplated by the Loan Documents and that, but for such provisions, Agent and Lenders would decline to make Revolver Loans and issue Letters of Credit. Each Borrower acknowledges that its guaranty pursuant to this Section is necessary to the conduct and promotion of its business, and can be expected to benefit such business.

(b) Agent and Lenders may, in their discretion, pursue such rights and remedies as they deem appropriate, including realization upon Collateral or any Real Estate by judicial foreclosure or nonjudicial sale or enforcement, without affecting any rights and remedies under this **Section 5.11**. If, in taking any action in connection with the exercise of any rights or remedies, Agent or any Lender shall forfeit any other rights or remedies, including the right to enter a deficiency judgment against any Borrower or other Person, whether because of any Applicable Laws pertaining to "election of remedies" or otherwise, each Borrower consents to such action and waives any claim based upon it, even if the action may result in loss of any rights of subrogation that any Borrower might otherwise have had. Any election of remedies that results in denial or impairment of the right of Agent or any Lender to seek a deficiency judgment against any Borrower shall not impair any other Borrower's obligation to pay the full amount of the Obligations. Each Borrower waives all rights and defenses arising out of an election of remedies, such as nonjudicial foreclosure with respect to any security for Obligations, even though that election of remedies destroys such Borrower's rights of subrogation against any other Person. Agent may bid Obligations, in whole or part, at any foreclosure, trustee or other sale, including any private sale, and the amount of such bid need not be paid by Agent but shall be credited against the Obligations. The amount of the successful bid at any such sale, whether Agent or any other Person is the successful bidder, shall be conclusively deemed to be the fair market value of the Collateral, and the difference between such bid amount and the remaining balance of the Obligations shall be conclusively deemed to be the amount of the Obligations guaranteed under this **Section 5.11**, notwithstanding that any present or future law or court decision may have the effect of reducing the amount of any deficiency claim to which Agent or any Lender might otherwise be entitled but for such bidding at any such sale.

5.1.3 Extent of Liability; Contribution.

(a) Notwithstanding anything herein to the contrary, each Borrower's liability under this **Section 5.11** shall not exceed the greater of (i) all amounts for which such Borrower is primarily liable, as described in clause (c) below, and (ii) such Borrower's Allocable Amount.

(b) If any Borrower makes a payment under this **Section 5.11** of any Obligations (other than amounts for which such Borrower is primarily liable) (a "Guarantor Payment") that, taking into account all other Guarantor Payments previously or concurrently made by any other Borrower, exceeds the amount that such Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by such Guarantor Payments in the same proportion that such Borrower's Allocable Amount bore to the total Allocable Amounts of all Borrowers, then such Borrower shall be entitled to receive contribution and indemnification payments from, and to be reimbursed by, each other Borrower for the amount of such excess, ratably based on their respective Allocable Amounts in effect immediately prior to such Guarantor Payment. The "Allocable Amount" for any Borrower shall be the maximum amount that could then be recovered from such Borrower under this **Section 5.11** without rendering such payment voidable under Section 548 of the Bankruptcy Code or under any applicable state fraudulent transfer or conveyance act, or similar statute or common law.

(c) **Section 5.11.3(a)** shall not limit the liability of any Borrower to pay or guarantee Revolver Loans made directly or indirectly to it (including Revolver Loans advanced hereunder to any other Person and then re-loaned or otherwise transferred to, or for the benefit of, such Borrower), LC Obligations relating to Letters of Credit issued to support its business, Secured Bank Product Obligations incurred to support its business, and all accrued interest, fees, expenses and other related Obligations with respect thereto, for which such Borrower shall be primarily liable for all purposes hereunder. Agent and Lenders shall have the right, at any time in their discretion, to condition Revolver Loans and Letters of Credit upon a separate calculation of borrowing availability for each Borrower and to restrict the disbursement and use of Revolver Loans and Letters of Credit to a Borrower based on that calculation.

(d) Each Obligor that is a Qualified ECP when its guaranty of or grant of Lien as security for a Swap Obligation becomes effective hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide funds or other support to each Specified Obligor with respect to such Swap Obligation as may be needed by such Specified Obligor from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP's obligations and undertakings under this **Section 5.11** voidable under any applicable fraudulent transfer or conveyance act). The obligations and undertakings of each Qualified ECP under this Section shall remain in full force and effect until Full Payment of all

Obligations. Each Obligor intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support or other agreement" for the benefit of, each Obligor for all purposes of the Commodity Exchange Act.

5.1.4 Joint Enterprise. Each Borrower has requested that Agent and Lenders make this credit facility available to Borrowers on a combined basis, in order to finance Borrowers' business most efficiently and economically. Borrowers' business is a mutual and collective enterprise, and the successful operation of each Borrower is dependent upon the successful performance of the integrated group. Borrowers believe that consolidation of their credit facility will enhance the borrowing power of each Borrower and ease administration of the facility, all to their mutual advantage. Borrowers acknowledge that Agent's and Lenders' willingness to extend credit and to administer the Collateral on a combined basis hereunder is done solely as an accommodation to Borrowers and at Borrowers' request.

5.1.5 Subordination. Each Borrower hereby subordinates any claims, including any rights at law or in equity to payment, subrogation, reimbursement, exoneration, contribution, indemnification or set off, that it may have at any time against any other Obligor, howsoever arising, to the Full Payment of its Obligations.

5.12 United Kingdom Tax Matters.

5.1.1 Applicability. The provisions of this **Section 5.12** shall only apply in respect of any U.K. Obligor or any other Obligor to whom the provisions of Section 874 ITA would apply (ignoring any exceptions) on the payment of any amount of interest (a "Relevant Obligor") to any Lender. Notwithstanding any other provision of this Agreement, the provisions of this **Section 5.12** shall exclusively govern the extent to which any Relevant Obligor is required to make any increased payments or indemnity payments in respect of or in connection with Taxes imposed by the United Kingdom.

5.1.2 Tax gross-up.

(a) Each Relevant Obligor shall make all payments to be made by it under any Loan Document without any Tax Deduction unless a Tax Deduction is required by law.

(b) A Relevant Obligor shall, promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify Agent accordingly. Similarly, a Lender shall promptly notify Agent on becoming so aware in respect of a payment payable to that Lender. If Agent receives such notification from a Lender it shall notify the Relevant Obligor.

(c) If a Tax Deduction is required by law to be made by a Relevant Obligor, the amount of the payment due from that Relevant Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount

equal to the payment which would have been due if no Tax Deduction had been required.

(d) A payment shall not be increased under **Section 5.12.2(c)** by reason of a Tax Deduction on account of Taxes imposed by the U.K. if, on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a U.K. Qualifying Lender, but on that date that Lender is not or has ceased to be a U.K. Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

(ii) the relevant Lender is a U.K. Qualifying Lender solely by virtue of paragraph (i)(B) of the definition of U.K. Qualifying Lender, and:

(1) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a "Direction") under section 931 of the ITA which relates to the payment and that Lender has received from the Relevant Obligor making the payment a certified copy of that Direction; and

(2) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or

(iii) the relevant Lender is a U.K. Qualifying Lender solely by virtue of paragraph (i)(B) of the definition of U.K. Qualifying Lender and:

(1) the relevant Lender has not given a Tax Confirmation to the Relevant Obligor; and

(2) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Relevant Obligor, on the basis that the Tax Confirmation would have enabled the Relevant Obligor to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA; or

(iv) the relevant Lender is a Treaty Lender and the Relevant Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under **Section 5.12.2(g)** below.

(e) If a Relevant Obligor is required to make a Tax Deduction, that Relevant Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Relevant Obligor making that Tax Deduction shall deliver to Agent for the benefit of the Lender entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g) Subject to **Section 5.12.2(g)(ii)**, a Treaty Lender and each Relevant Obligor which makes a payment to which that Treaty Lender is entitled shall co- operate in completing any procedural formalities necessary for that Relevant Obligor to obtain authorization to make that payment without a Tax Deduction (including, for the avoidance of doubt, that Treaty Lender filing any Treaty forms required to obtain such authorization as soon as reasonably practicable after the reasonable request of the relevant Borrower).

(i) A Treaty Lender which is a Party at the date of this Agreement and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in the signature pages of this Agreement; and

(ii) a Treaty Lender which becomes a Party after the day on which this Agreement is entered into and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the Assignment or other documentation which it executes on becoming a Party as a Lender,

and, having done so, that Lender shall be under no obligation pursuant to **Section 5.12.2(g)(i)**.

(h) If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with **Section 5.12.2(g)(ii)** and:

(i) the Relevant Obligor making a payment to that Lender has not made a Borrower DTTP Filing in respect of that Lender; or

(ii) the Relevant Obligor making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but:

(1) that Borrower DTTP Filing has been rejected by HM Revenue & Customs; or

(2) HM Revenue & Customs has not given the Relevant Obligor authority to make payments to that Lender without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing, or

(3) HM Revenue & Customs has given authority for the Relevant Obligor to make payment to that Lender without a Tax Deduction and that authority expires or is withdrawn by HM Revenue & Customs; or

(iii) that Lender's HMRC DT Treaty Passport scheme passport has expired,

and in each case, the Relevant Obligor has notified that Lender in writing, that Lender and the Relevant Obligor shall co-operate in completing any additional procedural formalities necessary for that Relevant Obligor to obtain authorisation to make that payment without a Tax Deduction.

(i) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with **Section 5.12.2(g)(ii)**, no Obligor shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) or its participation in any Loan Document unless the Lender otherwise agrees.

(j) The Relevant Obligor shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the Agent for delivery to the relevant Lender.

(k) A U.K. Non-Bank Lender which becomes a party on the day on which this Agreement is entered into gives a Tax Confirmation to the U.K. Obligor by entering into this Agreement.

(l) A U.K. Non-Bank Lender shall promptly notify the Relevant Obligor and Agent if there is any change in the position from that set out in the Tax Confirmation.

5.1.3 Tax indemnity.

(a) The U.K. Obligors shall (within three Business Days of demand by the Agent) pay to a Lender an amount equal to the loss, liability or cost which that Lender determines will be or has been (directly or indirectly) suffered for or on account of Taxes by that Lender in respect of a Loan Document.

(b) **Section 5.12.3(a)** shall not apply:

(i) with respect to any Taxes assessed on a Lender

(1) under the law of the jurisdiction in which such Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which such Lender is treated as resident for tax purposes; or

(2) under the law of the jurisdiction in which such Lender’s Lending Office is located in respect of amounts received or receivable in such jurisdiction,

if such Taxes are imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by such Lender; or

(ii) to the extent a loss, liability or cost:

(1) is compensated for by an increased payment under **Section 5.12.2** (Tax gross-up) or **Section 5.9** (Taxes); or

(2) would have been compensated for by an increased payment under **Section 5.12.2** (Tax gross-up) but was not so compensated solely because one of the exclusions in **Section 5.12.2(d)** applied; or

(3) relates to a FATCA Deduction required to be made

by a Party.

(c) A Lender making, or intending to make a claim under **Section 5.12.3(a)** shall promptly notify Agent of the event which will give, or has given, rise to the claim, following which Agent shall notify the U.K. Obligor.

(d) A Lender shall, on receiving a payment from the Relevant Obligor under this **Section 5.12.3**, notify Agent.

5.1.4 Tax Credit. If a Relevant Obligor makes a Tax Payment and the relevant Secured Party determines that:

(a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) such Secured Party has obtained and utilized that Tax Credit,

(c) such Secured Party shall pay an amount to the Relevant Obligor which such Secured Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Relevant Obligor.

5.1.5 Lender Status Confirmation. Each Lender which becomes a party to this Agreement after the date of this Agreement ("New Lender") shall indicate, in the Assignment or any other document which it executes on becoming a Party, and for the benefit of Agent and without liability to any Relevant Obligor, which of the following categories it falls within:

(a) not a U.K. Qualifying Lender;

(b) a U.K. Qualifying Lender (other than a Treaty Lender); or

(c) a Treaty Lender.

(d) If a New Lender fails to indicate its status in accordance with this **Section 5.12.5**, then such New Lender or Lenders (as appropriate) shall be treated for the purposes of this Agreement (including by each Relevant Obligor) as if it is not a U.K. Qualifying Lender until such time as it notifies Agent which category of

U.K. Qualifying Lender applies (and Agent, upon receipt of such notification, shall

inform the Relevant Obligor). For the avoidance of doubt, an Assignment shall not be invalidated by any failure of a New Lender to comply with this **Section 5.12.5**.

5.1.6 Stamp Taxes. The U.K. Obligors shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Loan Document, provided that this **Section 5.12.6** shall not apply in respect of a voluntary assignment, transfer or other alienation of any kind by a Secured Party of any of its rights and/or obligations under or in respect of any Loan Document, other than at a time when an Event of Default is continuing.

5.1.7 Value Added Tax.

(a) All amounts set out or expressed in a Loan Document to be payable by any party to any Lender which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, and accordingly, subject to **Section 5.12.7(ii)**, if VAT is or becomes chargeable on any supply made by any Lender to any party under a Loan Document, that party shall pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Lender shall promptly provide an appropriate VAT invoice to such party).

(b) If VAT is or becomes chargeable on any supply made by any Lender (the "Supplier") to any other Lender (the "Recipient") under a Loan Document, and any party other than the Recipient (the "Subject Party") is required by the terms of any Loan Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such Party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Subject Party an amount equal to any credit or repayment obtained by the Recipient from the relevant tax authority which the Recipient reasonably determines is in respect of such VAT.

(c) Where a Loan Document requires any party to reimburse or indemnify a Lender for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) Any reference in this **Section 5.12.7** to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative

member" to have the same meaning as in the United Kingdom Value Added Tax Act 1994).

5.1.8 FATCA information. If payment made by a U.K. Obligor under a Loan Document to a Lender would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code), such Lender shall deliver to Borrowers and Agent, at the time(s) prescribed by law and otherwise upon reasonable request, such documentation prescribed by Applicable Law (including Section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be appropriate for Borrowers or Agent to comply with their obligations under FATCA and to determine that such Lender has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 5.12.8, "FATCA" shall include any amendments made to FATCA after the date hereof.

5.1.9 FATCA Deduction.

(a) Each U.K. Obligor and Lender may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no U.K. Obligor or Lender shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each U.K. Obligor and Lender shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify any Lender or U.K. Obligor (as applicable) to whom it is making the payment and, in addition, shall notify Agent, and Agent shall notify the other Secured Parties.

5.1.10 Taxes on transfer or assignment or changing Lending office.

(a) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Loan Documents or changes its Lending Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Lending Office under **Section 3.7** (Increased Costs) or **Section 5.12** (United Kingdom tax matters) in respect of Taxes imposed by the United Kingdom,

then the New Lender or Lender acting through its new Lending Office is only entitled to receive payment under those Sections to the same extent as the existing Lender or Lender acting through its previous Lending Office would have been if the assignment, transfer or change had not occurred. This Section **5.12.10** shall not apply in relation to **Section 5.12.2** (Tax gross-

up), to a Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with **Section 5.12.2(g)(ii)(B)** if the Obligor making the payment has not made a Borrower DTTP Filing in respect of that Treaty Lender.

5.1.11Determination. Except as otherwise expressly provided in Section 5.12 a reference to "determines" or "determined" in connection with tax provisions contained in **Section 5.12** means a determination made in the absolute discretion of the person making the determination, acting reasonably.

SECTION 6. CONDITIONS PRECEDENT

6.1 Conditions Precedent to Initial Revolver Loans. In addition to the conditions set forth in **Section 6.2**, Lenders shall not be required to fund any requested Revolver Loan, issue any Letter of Credit, or otherwise extend credit to Borrowers hereunder, until the date ("Closing Date") that each of the following conditions has been satisfied:

(a) Each Loan Document shall have been duly executed and delivered to Agent by each of the signatories thereto, and each Obligor shall be in compliance with all terms thereof.

(b) Agent shall have received acknowledgments of all filings or recordations necessary to perfect its Liens in the Collateral, as well as UCC and Lien searches and other evidence satisfactory to Agent that such Liens are the only Liens upon the Collateral, except Permitted Liens.

(c) Agent shall have received duly executed agreements establishing each Dominion Account and related lockbox (if applicable) with respect to Promethean U.S., in form and substance, and with financial institutions, satisfactory to Agent.

(d) Agent shall have received certificates, in form and substance satisfactory to it, from a knowledgeable Senior Officer of each Borrower certifying that, after giving effect to the initial Revolver Loans and transactions hereunder, (i) such Borrower is Solvent; (ii) no Default or Event of Default exists; (iii) the representations and warranties set forth in **Section 9** are true and correct; and (iv) such Borrower has complied with all agreements and conditions to be satisfied by it under the Loan Documents.

(e) Agent shall have received a certificate of a duly authorized officer of each Obligor, certifying (i) that attached copies of such Obligor's Organic Documents are true and complete, and in full force and effect, without amendment except as shown; (ii) that an attached copy of resolutions authorizing execution and delivery of the Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this credit facility; and (iii) to the title, name and signature of each Person authorized to sign the Loan

Documents. Agent may conclusively rely on this certificate until it is otherwise notified by the applicable Obligor in writing.

(f) Agent shall have received a written opinion of Eversheds Sutherland with respect to Promethean U.S., the Obligors organized under the laws of the United States and the Loan Documents governed by the laws of the United States and Norton Rose Fulbright LLP with respect to Promethean U.K., the Obligors organized under the laws of England and Wales and the Loan Documents governed by the laws of England and Wales.

(g) In respect of each company incorporated in the United Kingdom whose shares are the subject of a Lien granted in favor of the Agent (a "Charged Company"), Agent shall have received either (i) a certificate of an authorised signatory of the Parent certifying that (A) it and each of its Subsidiaries has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and (ii) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares, together with a copy of the "PSC register" (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company, which is certified by an authorised signatory of the Parent to be correct, complete and not amended or superseded as at a date no earlier than the date of this Agreement; or (ii) a certificate of an authorised signatory of the Parent certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006.

(h) A certificate of the Parent (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Revolver Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Obligor to be exceeded.

(i) Agent shall, where applicable, have received copies of the charter documents of each Obligor, certified by the Secretary of State or other appropriate official of such Obligor’s jurisdiction of organization. Agent shall have received good standing certificates for each Obligor, issued by the Secretary of State or other appropriate official of such Obligor’s jurisdiction of organization and each jurisdiction where such Obligor’s conduct of business or ownership of Property necessitates qualification.

(j) Agent shall have received copies of policies and certificates of insurance for the insurance policies carried by Promethean U.S., all in compliance with the Loan Documents.

(k) Agent shall have completed its business, financial and legal due diligence of Obligors, including a roll-forward of its previous field examination, with results satisfactory to Agent. No material adverse change in the financial condition of any Obligor or in the quality, quantity or value of any Collateral shall have occurred since December 31, 2017. Agent shall have received the Parent and

its Subsidiaries' internally prepared financial statements for the month ending April 30, 2018 and such financial statements shall be in form and substance satisfactory to Agent and Lenders.

(l) Borrowers shall have paid all fees and expenses to be paid to Agent and Lenders on the Closing Date.

(m) Agent shall have received a Borrowing Base Report as of May 31, 2018. Upon giving effect to the initial funding of Revolver Loans and issuance of Letters of Credit, and the payment by Borrowers of all fees and expenses incurred in connection herewith as well as any payables stretched beyond their customary payment practices, Availability shall be at least $20,000,000 (of which up to
$5,000,000 may be calculated without regard to the limitation in clause (a) of the definition of Borrowing Base).

6.2 Conditions Precedent to All Credit Extensions. Agent, Issuing Bank and Lenders shall in no event be required to make any credit extension hereunder (including funding any Revolver Loan, arranging any Letter of Credit, or granting any other accommodation to or for the benefit of any Borrower), if the following conditions are not satisfied on such date and upon giving effect thereto:

(a) No Default or Event of Default exists;

(b) The representations and warranties of each Obligor in the Loan Documents are true and correct in all material respects (except for representations and warranties that relate solely to an earlier date); provided that the representations and warranties that are expressly qualified with materiality shall be true and correct in all respects;

(c) All conditions precedent in any Loan Document are satisfied;

(d) No event has occurred or circumstance exists that has or could reasonably be expected to have a Material Adverse Effect; and

(e) With respect to a Letter of Credit issuance, all LC Conditions are satisfied.

Each request (or deemed request) by a Borrower for any credit extension shall constitute a representation by Borrowers that the foregoing conditions are satisfied on the date of such request and on the date of the credit extension. As an additional condition to a credit extension, Agent may request any other information, certification, document, instrument or agreement as it deems appropriate.

SECTION 7. COLLATERAL

7.1 Grant of Security Interest. To secure the prompt payment and performance of its Obligations, Promethean U.S. hereby grants to Agent, for the benefit of Secured Parties, a continuing security interest in and Lien upon all its personal Property of such Obligor, including

all of the following personal Property, whether now owned or hereafter acquired, and wherever located:

all Accounts;

(b) all Chattel Paper, including electronic chattel paper;

(c) all Commercial Tort Claims, including those shown on **Schedule 9.1.16**;

(a)

(d) all Deposit Accounts;

(e) all Documents;

(f) all General Intangibles;

(g) all Goods, including Inventory, Equipment and fixtures;

(h) all Instruments;

(i) all Investment Property;

(j) all Letter-of-Credit Rights;

(k) all Supporting Obligations;

(l) all monies, whether or not in the possession or under the control of Agent, a Lender, or a bailee or Affiliate of Agent or a Lender, including any Cash Collateral;

(m) all accessions to, substitutions for, and all replacements, products, and cash and non-cash proceeds of the foregoing, including proceeds of and unearned premiums with respect to insurance policies, and claims against any Person for loss, damage or destruction of any Collateral; and

(n) all books and records (including customer lists, files, correspondence, tapes, computer programs, print-outs and computer records) pertaining to the foregoing.

Notwithstanding the above, the Collateral shall not include Intellectual Property. Notwithstanding anything to the contrary contained herein, as and to the extent provided in this Section, the Collateral also shall not include, and the Lien of this Agreement shall not attach to, the following:

(a) "intent to use" Trademark applications, in each case, only until such time as the applicable Obligor begins to use such Trademarks (the security interest provided herein in such Trademark shall be deemed granted by such Obligor at such time and will attach immediately without further action);

(b) any (i) assets of any Subsidiary of Promethean U.S. that is a CFC or a CFC Holding Company or (ii) Equity Interests in any Subsidiary of Promethean U.S. that is a first-tier CFC or CFC Holding Company, to the extent that (x) such Equity Interest pledged as Collateral exceeds 65% of the Equity Interests of such Subsidiary and (y) the pledge of any greater percentage would result in material adverse tax consequences to any Obligor,

(c) any item of real or personal, tangible or intangible, property to the extent and only for so long as the creation, attachment or perfection of the security interest granted herein by any Obligor in its right, title and interest in such item of property is prohibited by Applicable Law or is permitted only with the consent (that has not been obtained) of a Governmental Authority (subject to the anti-assignment provisions of the UCC);

(d) any property subject to a Lien securing Permitted Purchase Money Debt if, for so long and to the extent the grant of a security interest therein would constitute or result in a breach or a default under the related agreements (subject to the anti-assignment provisions of the UCC);

(e) any item of real or personal, tangible or intangible, property (other than any Equity Interests owned by any Obligor) to the extent and only for so long as the creation, attachment or perfection of the security interest granted herein by any Obligor in its right, title and interest in such item of property (i) would give any other Person (other than such Obligor or any other Obligor) the right to terminate its obligations with respect to such item of property, or (ii) would cause such property to become void or voidable if a security interest therein was created, attached or perfected (subject to the anti-assignment provisions of the UCC); and

(f) any item of real or personal, tangible or intangible, property (other than any Equity Interests owned by any Obligor) to the extent and only for so long as such property is subject to a contract that contains a term that restricts, prohibits, or requires a consent (that has not been obtained) of a Person (other than such Obligor or any other Obligor) to, the creation, attachment or perfection of the security interest granted herein (subject to the anti- assignment provisions of the UCC).

Promethean U.K., PHL and PTL shall secure the prompt payment and performance of the Obligations pursuant to the Security Documents to which they are a party.

7.1 Lien on Deposit Accounts; Cash Collateral.

7.1.1 Deposit Accounts. To further secure the prompt payment and performance of its Obligations, Promethean U.S. hereby grants to Agent a continuing security interest in and Lien upon all amounts credited to any Deposit Account of Promethean U.S., including sums in any blocked, lockbox, sweep or collection account. Each Borrower hereby authorizes and directs each bank or other depository to deliver to Agent, upon request, all balances in any Deposit Account maintained for such Borrower, without inquiry into the authority or right of Agent to make such request.

7.1.2 Cash Collateral. Cash Collateral may be invested, at Agent's discretion (with the consent of Borrowers, provided no Event of Default exists), but Agent shall have

no duty to do so, regardless of any agreement or course of dealing with any Borrower, and shall have no responsibility for any investment or loss. As security for its Obligations, Promethean U.S. hereby grants to Agent a security interest in and Lien upon all Cash Collateral delivered hereunder from time to time, whether held in a segregated cash collateral account or otherwise. Agent may apply Cash Collateral to payment of such Obligations as they become due, in such order as Agent may elect. All Cash Collateral and related deposit accounts shall be under the sole dominion and control of Agent, and no Borrower or other Person shall have any right to any Cash Collateral until Full Payment of the Obligations.

7.2 Reserved.

7.3 Other Collateral.

7.1.1 Commercial Tort Claims. Borrowers shall promptly notify Agent in writing if any Borrower has a Commercial Tort Claim (other than, as long as no Default or Event of Default exists, a Commercial Tort Claim for less than $100,000), shall promptly amend **Schedule 9.1.16** to include such claim, and shall take such actions as Agent deems appropriate to subject such claim to a duly perfected, first priority Lien in favor of Agent.

7.1.2 Certain After-Acquired Collateral. Borrowers shall promptly (a) notify Agent if a Borrower obtains an interest in any Deposit Account, Chattel Paper, Document, Instrument, Investment Property or Letter-of-Credit Rights, and (b) upon request, take such actions as Agent deems appropriate to effect its perfected, first priority Lien on such Collateral, including obtaining any appropriate possession, control agreement or Lien Waiver. If Collateral is in the possession of a third party, at Agent's request, Borrowers shall obtain an acknowledgment that such third party holds the Collateral for the benefit of Agent.

7.2 Limitations. The Lien on Collateral granted hereunder is given as security only and shall not subject Agent or any Lender to, or in any way modify, any obligation or liability of Borrowers relating to any Collateral. In no event shall the grant of any Lien under any Loan Document secure an Excluded Swap Obligation of the granting Obligor.

7.3 Further Assurances. All Liens granted to Agent under the Loan Documents are for the benefit of Secured Parties. Promptly upon request, Borrowers shall deliver such instruments and agreements, and shall take such actions, as Agent deems appropriate under Applicable Law to evidence or perfect its Lien on any Collateral, or otherwise to give effect to the intent of this Agreement. Each Borrower authorizes Agent to file any financing statement that describes the Collateral as "all assets" or "all personal property" of such Borrower, or words to similar effect, and ratifies any action taken by Agent before the Closing Date to effect or perfect its Lien on any Collateral.

SECTION 8. COLLATERAL ADMINISTRATION

8.1 Borrowing Base Reports. Borrowers shall deliver to Agent (and Agent shall promptly deliver same to Lenders) a Borrowing Base Report (i) by the 15th day of each month, prepared as of the close of business of the previous month, and (ii) at any time during a Reporting

Trigger Period, the third Business Day of each week, prepared as of the close of business of the previous week, and (iii) at such other times as Agent may request. All information (including calculation of Availability) in a Borrowing Base Report shall be certified by Borrowers. Agent may from time to time adjust such report (a) to reflect Agent's reasonable estimate of declines in value of Collateral, due to collections received in the Dominion Account or otherwise; (b) to adjust advance rates to reflect changes in dilution, quality, mix and other factors affecting Collateral; and
(c) to the extent any information or calculation does not comply with this Agreement.

8.2 Accounts.

8.1.1 Records and Schedules of Accounts. Each Borrower shall keep accurate and complete records of its Accounts, including all payments and collections thereon, and shall submit to Agent sales, collection, reconciliation and other reports in form satisfactory to Agent, on such periodic basis as Agent may request. Each Borrower shall also provide to Agent, together with each Borrowing Base Report, a detailed aged trial balance of all Accounts as of the end of the preceding month, specifying each Account's Account Debtor name and address, amount, invoice date and due date, showing any discount, allowance, credit, authorized return or dispute, and including such proof of delivery, copies of invoices and invoice registers, copies of related documents, repayment histories, status reports and other information as Agent may reasonably request. If any individual Account in a face amount of $500,000 or more cease to be an Eligible Account, Borrowers shall notify Agent of such occurrence promptly (and in any event within two Business Day) after any Borrower has knowledge thereof.

8.1.2 Taxes. If an Account of any Borrower includes a charge for any Taxes, Agent is authorized, in its discretion, to pay the amount thereof to the proper taxing authority for the account of such Borrower and to charge Borrowers therefor; provided, that neither Agent nor Lenders shall be liable for any Taxes that may be due from Borrowers or with respect to any Collateral.

8.1.3 Account Verification. Whether or not a Default or Event of Default exists, Agent shall have the right at any time, in the name of Agent, any designee of Agent or any Borrower, to verify the validity, amount or any other matter relating to any Accounts of Borrowers by mail, telephone or otherwise. Borrowers shall cooperate fully with Agent in an effort to facilitate and promptly conclude any such verification process.

8.1.4 Maintenance of Dominion Account. Borrowers shall maintain Dominion Accounts pursuant to lockbox or other arrangements acceptable to Agent. Borrowers shall obtain an agreement (in form and substance satisfactory to Agent) from each lockbox servicer and Dominion Account bank, establishing Agent's control over and Lien in the lockbox or Dominion Account, which may be exercised by Agent with respect to Promethean U.S. during any Trigger Period, and with respect to Promethean U.K. at all times, requiring immediate deposit of all remittances received in the lockbox (if any) to a Dominion Account, and waiving offset rights of such servicer or bank, except for customary administrative charges. If a Dominion Account is not maintained with Bank of America, Agent may, during any Trigger Period solely with respect to Promethean U.S., require immediate transfer of all funds in such account to a Dominion Account maintained

with Bank of America. Agent and Lenders assume no responsibility to Borrowers for any lockbox arrangement or Dominion Account, including any claim of accord and satisfaction or release with respect to any Payment Items accepted by any bank.

8.1.5 Proceeds of Collateral. Borrowers shall request in writing and otherwise take all necessary steps to ensure that all payments on Accounts or otherwise relating to Collateral are made directly to a Dominion Account (or a lockbox relating to a Dominion Account). If any Borrower or Subsidiary receives cash or Payment Items with respect to any Collateral, it shall hold same in trust for Agent and promptly (not later than the next Business Day) deposit same into a Dominion Account.

8.3 Inventory.

8.1.1 Records and Reports of Inventory. Each Borrower shall keep accurate and complete records of its Inventory, including costs and daily withdrawals and additions, and shall submit to Agent inventory and reconciliation reports in form satisfactory to Agent, on such periodic basis as Agent may request. Each Borrower shall conduct a physical inventory at least once per calendar year (and on a more frequent basis if requested by Agent when an Event of Default exists).

8.1.2 Reserved.

8.1.3 Acquisition, Sale and Maintenance. No Borrower shall acquire or accept any Inventory on consignment or approval, and shall take all steps to assure that all Inventory is produced in accordance with Applicable Law, including the FLSA. No Borrower shall sell any Inventory on consignment or approval or any other basis under which the customer may return or require a Borrower to repurchase such Inventory. Borrowers shall use, store and maintain all Inventory with reasonable care and caution, in accordance with applicable standards of any insurance and in conformity with all Applicable Law, and shall make current rent payments (within applicable grace periods provided for in leases) at all locations where any Collateral is located.

8.1 Reserved.

8.2 Deposit Accounts. **Schedule 8.5** lists all Deposit Accounts maintained by Borrowers, including Dominion Accounts. Each Borrower shall take all actions necessary to establish Agent's first priority Lien on each Deposit Account (except accounts exclusively used for payroll, payroll taxes or employee benefits, other disbursement accounts acceptable to Agent, or an account containing not more than $10,000 at any time (other than in respect of any such accounts held by Promethean U.K., which shall be subject to an English law floating charge)). Borrowers shall be the sole account holders of each Deposit Account and shall not allow any Person (other than Agent and the depository bank) to have control over their Deposit Accounts or any Property deposited therein. Borrowers shall promptly notify Agent of any opening or closing of a Deposit Account and, with the consent of Agent, will amend **Schedule 8.5** to reflect same.

General Provisions.

8.1.1 Location of Collateral. All tangible items of Collateral, other than Inventory in transit, shall at all times be kept by Borrowers at the business locations set forth in **Schedule 8.6.1**, except that Borrowers may (a) make sales or other dispositions of Collateral in accordance with **Section 10.2.6**; and (b) move Collateral to another location in the United States, upon 30 Business Days prior written notice to Agent.

8.1.2 Insurance of Collateral; Condemnation Proceeds.

(a) Each Borrower shall maintain insurance with respect to the Collateral, covering casualty, hazard, theft, malicious mischief, flood and other risks, in amounts, with endorsements and with insurers (with a Best rating of at least A+, unless otherwise approved by Agent in its discretion) satisfactory to Agent; provided, that if Real Estate secures any Obligations, flood hazard diligence, documentation and insurance for such Real Estate shall comply with all Flood Laws or shall otherwise be satisfactory to all Lenders. All proceeds under each policy shall be payable to Agent. From time to time upon request, Borrowers shall deliver to Agent the originals or certified copies of its insurance policies and updated flood plain searches. Unless Agent shall agree otherwise, each policy shall include satisfactory endorsements, or Agent shall have received other equivalent documentation in any relevant jurisdictions, (i) showing Agent as loss payee; (ii) requiring 30 days prior written notice to Agent in the event of cancellation of the policy for any reason whatsoever; and (iii) specifying that the interest of Agent shall not be impaired or invalidated by any act or neglect of any Borrower or the owner of the Property, nor by the occupation of the premises for purposes more hazardous than are permitted by the policy. If any Borrower fails to provide and pay for any insurance, Agent may, at its option, but shall not be required to, procure the insurance and charge Borrowers therefor. Each Borrower agrees to deliver to Agent, promptly as rendered, copies of all reports made to insurance companies. While no Event of Default exists, Borrowers may settle, adjust or compromise any insurance claim, as long as the proceeds are delivered to Agent. If an Event of Default exists, only Agent shall be authorized to settle, adjust and compromise such claims.

(b) Any proceeds of insurance (other than proceeds from workers' compensation or D&O insurance) and any awards arising from condemnation of any Collateral shall be paid to Agent.

(c) If requested by Borrowers in writing within 15 days after Agent's receipt of any insurance proceeds or condemnation awards relating to any loss or destruction of Equipment or Real Estate, Borrowers may use such proceeds or awards to repair or replace such Equipment or Real Estate (and until so used, the proceeds shall be held by Agent as Cash Collateral) as long as (i) no Default or Event of Default exists; (ii) such repair or replacement is promptly undertaken and concluded, in accordance with plans satisfactory to Agent; (iii) replacement buildings are constructed on the sites of the original casualties and are of

comparable size, quality and utility to the destroyed buildings; (iv) the repaired or replaced Property is free of Liens, other than Permitted Liens that are not Purchase Money Liens; (v) Borrowers comply with disbursement procedures for such repair or replacement as Agent may reasonably require; and (vi) the aggregate amount of such proceeds or awards from any single casualty or condemnation does not exceed
$500,000.

8.1.3 Protection of Collateral. All expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping any Collateral, all Taxes payable with respect to any Collateral (including any sale thereof), and all other payments required to be made by Agent to any Person to realize upon any Collateral, shall be borne and paid by Borrowers. Agent shall not be liable or responsible in any way for the safekeeping of any Collateral, for any loss or damage thereto (except for reasonable care in its custody while Collateral is in Agent's actual possession), for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency or other Person whatsoever, but the same shall be at Borrowers' sole risk.

8.1.4 Defense of Title. Each Borrower shall defend its title to Collateral and Agent's Liens therein against all Persons, claims and demands, except Permitted Liens.

8.3 Power of Attorney. To the extent permitted by Applicable Law, each Borrower hereby irrevocably constitutes and appoints Agent (and all Persons designated by Agent) as such Borrower's true and lawful attorney (and agent-in-fact) for the purposes provided in this Section. Agent, or Agent's designee, may (but shall have no obligation to), without notice and in either its or a Borrower's name, but at the cost and expense of Borrowers:

(a) Endorse a Borrower's name on any Payment Item or other proceeds of Collateral (including proceeds of insurance) that come into Agent's possession or control; and

(b) During an Event of Default, (i) notify any Account Debtors of the assignment of their Accounts, demand and enforce payment of Accounts by legal proceedings or otherwise, and generally exercise any rights and remedies with respect to Accounts; (ii) settle, adjust, modify, compromise, discharge or release any Accounts or other Collateral, or any legal proceedings brought to collect Accounts or Collateral; (iii) sell or assign any Accounts and other Collateral upon such terms, for such amounts and at such times as Agent deems advisable; (iv) collect, liquidate and receive balances in Deposit Accounts or investment accounts, and take control, in any manner, of proceeds of Collateral; (v) prepare, file and sign a Borrower's name to a proof of claim or other document in a bankruptcy of an Account Debtor, or to any notice, assignment or satisfaction of Lien or similar document; (vi) receive, open and dispose of mail addressed to a Borrower, and notify postal authorities to deliver any such mail to an address designated by Agent;
(vii) endorse any Chattel Paper, Document, Instrument, bill of lading, or other document or agreement relating to any Accounts, Inventory or other Collateral;
(viii) use a Borrower's stationery and sign its name to verifications of Accounts and notices to Account Debtors; (ix) use information contained in any data processing,

electronic or information systems relating to Collateral; (x) make and adjust claims under insurance policies; (xi) take any action as may be necessary or appropriate to obtain payment under any letter of credit, banker's acceptance or other instrument for which a Borrower is a beneficiary; (xii) exercise any voting or other rights under or with respect to any Investment Property; and (xiii) take all other actions as Agent deems appropriate to fulfill any Borrower's obligations under the Loan Documents.

SECTION 9. REPRESENTATIONS AND WARRANTIES

9.1 General Representations and Warranties. To induce Agent and Lenders to enter into this Agreement and to make available the Revolver Commitments, Revolver Loans and Letters of Credit, Parent and each Borrower represents and warrants that:

9.1.1 Organization and Qualification. Parent and each Subsidiary is duly organized or incorporated, validly existing and in good standing (where applicable) under the laws of the jurisdiction of its organization or incorporation. Parent and each Subsidiary are duly qualified, authorized to do business and in good standing (where applicable) as a foreign corporation in each jurisdiction where failure to be so qualified could reasonably be expected to have a Material Adverse Effect. No Obligor is an EEA Financial Institution.

9.1.2 Power and Authority. Each Obligor is duly authorized to execute, deliver and perform its Loan Documents. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary action, and do not (a) require any consent or approval of any holders of Equity Interests of any Obligor, except those already obtained; (b) contravene the Organic Documents of any Obligor; (c) violate or cause a default under any Applicable Law or Material Contract; or (d) result in or require imposition of a Lien (other than Permitted Liens) on any Obligor's Property.

9.1.3 Enforceability. Each Loan Document is a legal, valid and binding obligation of each Obligor party thereto, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

9.1.4 Capital Structure. **Schedule 9.1.4** shows, for Parent and each Subsidiary, its name, jurisdiction of organization or incorporation, authorized and issued Equity Interests, holders of its Equity Interests, and agreements binding on such holders with respect to such Equity Interests. Except as disclosed on **Schedule 9.1.4**, in the five years preceding the Closing Date, neither Parent nor any Subsidiary has acquired any substantial assets from any other Person nor been the surviving entity in a merger or combination. Parent has good title to its Equity Interests in its Subsidiaries, subject only to Agent's Lien, and all such Equity Interests are duly issued, fully paid and non-assessable. There are no outstanding purchase options, warrants, subscription rights, agreements to issue or sell, convertible interests, phantom rights or powers of attorney relating to Equity Interests of Parent or any Subsidiary.

9.1.5 Title to Properties; Priority of Liens. Parent and each Subsidiary has good and marketable title to (or valid leasehold interests in) all of its Real Estate, and good title

to all of its personal Property, including all Property reflected in any financial statements delivered to Agent or Lenders, in each case free of Liens except Permitted Liens. No Real Estate is located in a special flood hazard zone, except as disclosed on **Schedule 9.1.5**. Parent and each Subsidiary has paid and discharged all lawful claims that, if unpaid, could become a Lien on its Properties, other than Permitted Liens. All Liens of Agent in the Collateral are duly perfected, first priority Liens, subject only to Permitted Liens that are expressly allowed to have priority over Agent's Liens.

9.1.6 Accounts. Agent may rely, in determining which Accounts are Eligible Accounts, on all statements and representations made by Borrowers with respect thereto. Borrowers warrant, with respect to each Account shown as an Eligible Account in a Borrowing Base Report, that:

(a) it is genuine and in all respects what it purports to be;

(b) it arises out of a completed, bona fide sale and delivery of goods or rendition of services in the Ordinary Course of Business, and substantially in accordance with any purchase order, contract or other document relating thereto;

(c) it is for a sum certain, maturing as stated in the applicable invoice, a copy of which has been furnished or is available to Agent on request;

(d) it is not subject to any offset, Lien (other than Agent's Lien), deduction, defense, dispute, counterclaim or other adverse condition except as arising in the Ordinary Course of Business and disclosed to Agent; and it is absolutely owing by the Account Debtor, without contingency of any kind;

(e) no purchase order, agreement, document or Applicable Law restricts assignment of the Account to Agent (regardless of whether, under the UCC, the restriction is ineffective), and the applicable Borrower is the sole payee or remittance party shown on the invoice;

(f) no extension, compromise, settlement, modification, credit, deduction or return has been authorized or is in process with respect to the Account, except discounts or allowances granted in the Ordinary Course of Business for prompt payment that are reflected on the face of the invoice related thereto and in the reports submitted to Agent hereunder; and

(g) to the best of Borrowers' knowledge, (i) there are no facts or circumstances that are reasonably likely to impair the enforceability or collectability of such Account; (ii) the Account Debtor had the capacity to contract when the Account arose, continues to meet the applicable Borrower's customary credit standards, is Solvent, is not contemplating or subject to an Insolvency Proceeding, and has not failed, or suspended or ceased doing business; and (iii) there are no proceedings or actions threatened or pending against any Account Debtor that could reasonably be expected to have a material adverse effect on the Account Debtor's financial condition.

9.1.7 Financial Statements. The consolidated and consolidating balance sheets, and related statements of income, cash flow and shareholders equity, of Parent and its Subsidiaries that have been and are hereafter delivered to Agent and Lenders, are prepared in accordance with IFRS, and fairly present the financial positions and results of operations of Parent and its Subsidiaries at the dates and for the periods indicated. All projections delivered from time to time to Agent and Lenders have been prepared in good faith, based on reasonable assumptions in light of the circumstances at such time. Since December 31, 2017, there has been no change in the condition, financial or otherwise, of Parent or any Subsidiary that could reasonably be expected to have a Material Adverse Effect. No financial statement delivered to Agent or Lenders at any time contains any untrue statement of a material fact, nor fails to disclose any material fact necessary to make such statement not materially misleading. Parent and each Subsidiary is Solvent.

9.1.8 Surety Obligations. Neither Parent nor any Subsidiary is obligated as surety or indemnitor under any bond or other contract that assures payment or performance of any obligation of any Person, except as permitted hereunder.

9.1.9 Taxes. Parent and each Subsidiary has filed all federal, state and local tax returns and other reports that it is required by law to file, and has paid, or made provision for the payment of, all Taxes upon it, its income and its Properties that are due and payable, except to the extent being Properly Contested. The provision for Taxes on the books of Parent and each Subsidiary is adequate for all years not closed by applicable statutes, and for its current Fiscal Year.

9.1.10 Brokers. There are no brokerage commissions, finder's fees or investment banking fees payable in connection with any transactions contemplated by the Loan Documents.

9.1.11 Intellectual Property. Parent and each Subsidiary owns or has the lawful right to use all Intellectual Property necessary for the conduct of its business, without conflict with any rights of others. There is no pending or, to Parent's or any Borrower's knowledge, threatened Intellectual Property Claim with respect to Parent, any Borrower, any Subsidiary or any of their Property (including any Intellectual Property). Except as disclosed in writing to Agent, neither Parent nor any Subsidiary pays or owes any royalty or other compensation to any Person with respect to any Intellectual Property in excess of
$500,000 during any Fiscal Year.

9.1.12 Governmental Approvals. Parent and each Subsidiary has, is in compliance with, and is in good standing with respect to, all Governmental Approvals necessary to conduct its business and to own, lease and operate its Properties. All necessary import, export or other licenses, permits or certificates for the import or handling of any goods or other Collateral have been procured and are in effect, and Parent and Subsidiaries have complied with all foreign and domestic laws with respect to the shipment and importation of any goods or Collateral, except where noncompliance could not reasonably be expected to have a Material Adverse Effect.

9.1.13Compliance with Laws. Parent and each Subsidiary has duly complied, and its Properties and business operations are in compliance, (i) in all material respects with all Applicable Law, except where noncompliance could not reasonably be expected to have a Material Adverse Effect, and (ii) with all applicable anti-corruption laws. There have been no citations, notices or orders of material noncompliance issued to Parent or any Subsidiary under any Applicable Law. No Inventory has been produced in violation of the FLSA.

9.1.14Compliance with Environmental Laws. Except as disclosed on **Schedule 9.1.14**, neither Parent nor any Subsidiary's past or present operations, Real Estate or other Properties are subject to any federal, state or local investigation to determine whether any remedial action is needed to address any environmental pollution, hazardous material or environmental clean-up. Neither Parent nor any Subsidiary has received any Environmental Notice. Neither Parent nor any Subsidiary has any contingent liability with respect to any Environmental Release, environmental pollution or hazardous material on any Real Estate now or previously owned, or to its knowledge, leased or operated by it.

9.1.15Burdensome Contracts. Neither Parent nor any Subsidiary is a party or subject to any contract, agreement or charter restriction that could reasonably be expected to have a Material Adverse Effect. Neither Parent nor any Subsidiary is party or subject to any Restrictive Agreement, except as shown on **Schedule 9.1.15**. No such Restrictive Agreement prohibits the execution, delivery or performance of any Loan Document by an Obligor.

9.1.16Litigation. Except as shown on **Schedule 9.1.16**, there are no proceedings or investigations pending or, to Parent's or any Borrower's knowledge, threatened against Parent or any Subsidiary, or any of their businesses, operations, Properties, prospects or conditions, that (a) relate to any Loan Documents or transactions contemplated thereby; or
(b) could reasonably be expected to have a Material Adverse Effect if determined adversely to Parent or any Subsidiary. Except as shown on such Schedule, no Obligor has a Commercial Tort Claim (other than, as long as no Default or Event of Default exists, a Commercial Tort Claim for less than $100,000). Neither Parent nor any Subsidiary is in default with respect to any order, injunction or judgment of any Governmental Authority.

9.1.17No Defaults. No event or circumstance has occurred or exists that constitutes a Default or Event of Default. Neither Borrower nor any Subsidiary is in default, and no event or circumstance has occurred or exists that with the passage of time or giving of notice would constitute a default, under any Material Contract or in the payment of any Borrowed Money. Neither Borrower nor any Subsidiary has any knowledge of any basis upon which any party (other than Parent or a Subsidiary) could terminate a Material Contract prior to its scheduled termination date.

9.1.18 ERISA; U.K. Pensions. Except as disclosed on **Schedule 9.1.18**:

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code, and other federal and state laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is

currently being processed by the IRS with respect thereto and, to the knowledge of Parent and Borrowers, nothing has occurred which would prevent, or cause the loss of, such qualification. Each Obligor and ERISA Affiliate has met all applicable requirements under the Code, ERISA and the Pension Protection Act of 2006, and no application for a waiver of the minimum funding standards or an extension of any amortization period has been made with respect to any Plan.

(b) There are no pending or, to the knowledge of Parent or Borrowers, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted in or could reasonably be expected to have a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur;
(ii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is at least 60%; and no Obligor or ERISA Affiliate knows of any reason that such percentage could reasonably be expected to drop below 60%; (iii) no Obligor or ERISA Affiliate has incurred any liability to the PBGC except for the payment of premiums, and no premium payments are due and unpaid; (iv) no Obligor or ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA; and (v) no Pension Plan has been terminated by its plan administrator or the PBGC, and no fact or circumstance exists that could reasonably be expected to cause the PBGC to institute proceedings to terminate a Pension Plan.

(d) With respect to any Foreign Plan, (i) all employer and employee contributions required by law or by the terms of the Foreign Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices; (ii) the fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance, or the book reserve established for any Foreign Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations with respect to all current and former participants in such Foreign Plan according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles; and (iii) it has been registered as required and has been maintained in good standing with applicable regulatory authorities.

(e) neither the Parent nor any of its Subsidiaries is or has at any time been (A) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act (1993)) or (B) “connected” with or an “associate” (as those terms are used in sections 38 and 43 of the Pensions Act 2004) of such an employer.

(f) No U.K. Obligor has been issued with a Financial Support Direction or Contribution Notice in respect of any pension scheme.

9.1.19Trade Relations. There exists no actual or threatened termination, limitation or modification of any business relationship between Parent or any Subsidiary and any customer or supplier, or any group of customers or suppliers, who individually or in the aggregate are material to the business of Parent or such Subsidiary. There exists no condition or circumstance that could reasonably be expected to impair the ability of Parent or any Subsidiary to conduct its business at any time hereafter in substantially the same manner as conducted on the Closing Date.

9.1.20Labor Relations. Except as described on **Schedule 9.1.20**, neither Parent nor Subsidiary is party to or bound by any collective bargaining agreement, management agreement or consulting agreement representing liability of more than $250,000 per year. There are no material grievances, disputes or controversies with any union or other organization of Parent's or any Subsidiary's employees, or, to any Borrower's knowledge, any asserted or threatened strikes, work stoppages or demands for collective bargaining.

9.1.21Payable Practices. Neither Parent nor any Subsidiary has made any material change in its historical accounts payable practices from those in effect on the Closing Date.

9.1.22Not a Regulated Entity. No Obligor is (a) an "investment company" or a "person directly or indirectly controlled by or acting on behalf of an investment company" within the meaning of the Investment Company Act of 1940; or (b) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any public utilities code or any other Applicable Law regarding its authority to incur Debt.

9.1.23Margin Stock. Neither Parent nor any Subsidiary is engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No Revolver Loan proceeds or Letters of Credit will be used by Borrowers to purchase or carry, or to reduce or refinance any Debt incurred to purchase or carry, any Margin Stock or for any related purpose governed by Regulations T, U or X of the Board of Governors.

9.1.24OFAC. Neither Parent, any Subsidiary, or any director, officer, employee, agent, affiliate or representative thereof, is or is owned or controlled by any individual or entity that is currently the target of any Sanction or is located, organized or resident in a Designated Jurisdiction.

9.1.25Anti-Corruption Laws. Parent and each Subsidiary has conducted its business in accordance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

9.1.26Non-Obligor EBITDA. The portion of the EBITDA generated by the Subsidiaries of Parent which are not Obligors shall not exceed 15% of the consolidated EBITDA of Parent and its Subsidiaries for any trailing 12 month period.

9.1.27U.K. Charges. Under the law of each Obligor's jurisdiction of incorporation it is not necessary that any Security Document be filed, recorded on enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to any Security Document or the transactions contemplated by any Security Document, except (a) registration of particulars of each Security Document executed by a U.K. Obligor at the Companies Registration Office in England and Wales in accordance with Part 25 (Company Charges) of the Companies Act 2006 or any regulations relating to the registration of charges made under, or applying the provisions of, the Companies Act 2006 (b) registration of each Security Document executed by a U.K. Obligor and pertaining to Real Estate at the Land Registry of Land Charges Registry in England and Wales and payment of associated fees (c) filing, registration or recordation on a voluntary basis or as required in order to perfect the security interest created by any U.K. Security Document in any relevant jurisdiction and (d) in each case, payment of associated fees, stamp taxes or mortgage duties.

9.1.28Centre of Main Interests and Establishments. For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), each of the U.K. Obligor' centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation and none of them have an "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

9.1.29Pari passu ranking. Each U.K. Obligor's payment obligations under the Loan Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

9.1.30Ranking. Each U.K. Security Document has or will have the ranking in priority which it is expressed to have in the relevant U.K. Security Document and, other than as permitted under or contemplated by the Loan Documents, it is not subject to any prior ranking or pari passu ranking Lien.

9.1.31Dormant Subsidiaries. PTL and PWI have no material assets or material liabilities and conduct no business.

9.2 Complete Disclosure. No Loan Document contains any untrue statement of a material fact, nor fails to disclose any material fact necessary to make the statements contained therein not materially misleading. There is no fact or circumstance that any Obligor has failed to disclose to Agent in writing that could reasonably be expected to have a Material Adverse Effect.

SECTION 10. COVENANTS AND CONTINUING AGREEMENTS

10.1 Affirmative Covenants. As long as any Revolver Commitments or Obligations are outstanding, Parent and each Borrower shall, and shall cause each Subsidiary to:

10.1.1 Inspections; Appraisals.

(a) Permit Agent from time to time, subject (unless a Default or Event of Default exists) to reasonable notice and normal business hours, to visit and inspect the Properties of Parent, any Borrower or Subsidiary, inspect, audit and make extracts from Parent's any Borrower's or Subsidiary's books and records, and discuss with its officers, employees, agents, advisors and independent accountants Parent's and such Borrower's or Subsidiary's business, financial condition, assets, prospects and results of operations. Lenders may participate in any such visit or inspection, at their own expense. Secured Parties shall have no duty to any Obligor to make any inspection, nor to share any results of any inspection, appraisal or report with any Obligor. Parent and Borrowers acknowledge that all inspections, appraisals and reports are prepared by Agent and Lenders for their purposes, and Neither Parent nor Borrowers shall not be entitled to rely upon them.

(b) Reimburse Agent for all its charges, costs and expenses in connection with examinations of Obligors' books and records or any other financial or Collateral matters as it deems appropriate, up to once per Loan Year and up to two times per Loan Year if in the 12 months prior to the commencement of such examination, a Reporting Trigger Period existed; provided, that if an examination is initiated during a Default or Event of Default, all charges, costs and expenses relating thereto shall be reimbursed by Borrowers without regard to such limits. Borrowers shall pay Agent's then standard charges for examination activities, including charges for its internal examination and appraisal groups, as well as the charges of any third party used for such purposes. No Borrowing Base calculation shall include Collateral acquired in a Permitted Acquisition or otherwise outside the Ordinary Course of Business until completion of applicable field examinations and appraisals (which shall not be included in the limits provided above) satisfactory to Agent.

10.1.2Financial and Other Information. Keep adequate records and books of account with respect to its business activities, in which proper entries are made in accordance with IFRS reflecting all financial transactions; and furnish to Agent and Lenders:

(a) as soon as available, and in any event within 120 days after the close of each Fiscal Year, balance sheets as of the end of such Fiscal Year and the related statements of income, cash flow and shareholders equity for such Fiscal Year, on consolidated and consolidating bases for Parent and Subsidiaries, which consolidated statements shall be audited and certified (without qualification) by a firm of independent certified public accountants of recognized standing selected by Parent and acceptable to Agent, and shall set forth in comparative form corresponding figures for the preceding Fiscal Year and other information acceptable to Agent;

(b) as soon as available, and in any event within 30 days after the end of each month (but within 60 days after the last month in a Fiscal Year), unaudited

balance sheets as of the end of such month and the related statements of income and cash flow for such month and for the portion of the Fiscal Year then elapsed, on consolidated and consolidating bases for Parent and Subsidiaries, setting forth in comparative form corresponding figures for the preceding Fiscal Year and certified by the chief financial officer of Borrower Agent as prepared in accordance with IFRS and fairly presenting the financial position and results of operations for such month and period, subject to normal year-end adjustments and the absence of footnotes; provided, that statements of cash flow shall only be delivered with the monthly financial statements delivered for the last month of each Fiscal Quarter;

(c) concurrently with delivery of financial statements under clauses (a) and (b) above, or more frequently if requested by Agent while a Default or Event of Default exists, a Compliance Certificate executed by the chief financial officer of Borrower Agent;

(d) concurrently with delivery of financial statements under clause (a) above, copies of all management letters and other material reports submitted to Parent by its accountants in connection with such financial statements;

(e) not later than the end of each Fiscal Year, projections of Parent's consolidated balance sheets, results of operations, cash flow and Availability for the next Fiscal Year, month by month;

(f) together with each Borrowing Base Report, a listing of each Borrower's trade payables, specifying the trade creditor and balance due, and a detailed trade payable aging, all in form satisfactory to Agent;

(g) promptly after the sending or filing thereof, copies of any proxy statements, financial statements or reports that Parent has made generally available to its shareholders; copies of any regular, periodic and special reports or registration statements or prospectuses that Parent files with the Securities and Exchange Commission or any other Governmental Authority, or any securities exchange; and copies of any press releases or other statements made available by Parent to the public concerning material changes to or developments in the business of such Parent or its Subsidiaries;

(h) promptly after the sending or filing thereof, copies of any annual report to be filed in connection with each Plan or Foreign Plan;

(i) promptly following receipt, a copy of any notice from the Pensions Regulator in which it proposes to take action which may result in the issuance of a Contribution Notice or Financial Support Direction in respect of any pension plan; and

(j) such other reports and information (financial or otherwise) as Agent may request from time to time in connection with any Collateral or Parent, any Borrower's, Subsidiary's or other Obligor's financial condition or business.

10.1.3Notices. Notify Agent and Lenders in writing, promptly after Parent or a Borrower's obtaining knowledge thereof, of any of the following that affects an Obligor:
(a) the threat or commencement of any proceeding or investigation, whether or not covered by insurance, if an adverse determination could have a Material Adverse Effect; (b) any pending or threatened labor dispute, strike or walkout, or the expiration of any material labor contract; (c) any default under or termination of a Material Contract; (d) the existence of any Default or Event of Default; (e) any judgment in an amount exceeding $500,000; (f) the assertion of any Intellectual Property Claim, if an adverse resolution could have a Material Adverse Effect; (g) any violation or asserted violation of any Applicable Law (including ERISA, OSHA, FLSA, or any Environmental Laws), if an adverse resolution could have a Material Adverse Effect; (h) any Environmental Release by an Obligor or on any Property owned, leased or occupied by an Obligor; or receipt of any Environmental Notice; (i) the occurrence of any ERISA Event; (j) the discharge of or any withdrawal or resignation by Borrowers' independent accountants; or (k) any opening of a new office or place of business, at least 30 days prior to such opening.

10.1.4Landlord and Storage Agreements. Upon request, provide Agent with copies of all existing agreements, and promptly after execution thereof provide Agent with copies of all future agreements, between an Obligor and any landlord, warehouseman, processor, shipper, bailee or other Person that owns any premises at which any Collateral may be kept or that otherwise may possess or handle any Collateral.

10.1.5Compliance with Laws. Comply with all Applicable Laws, including ERISA, Environmental Laws, FLSA, OSHA, Anti-Terrorism Laws, and laws regarding collection and payment of Taxes, and maintain all Governmental Approvals necessary to the ownership of its Properties or conduct of its business, unless failure to comply (other than failure to comply with Anti-Terrorism Laws) or maintain could not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, if any Environmental Release occurs at or on any Properties of Parent or any Subsidiary, it shall act promptly and diligently to investigate and report to Agent and all appropriate Governmental Authorities the extent of, and to make appropriate remedial action to eliminate, such Environmental Release, whether or not directed to do so by any Governmental Authority.

10.1.6Taxes. Pay and discharge all Taxes prior to the date on which they become delinquent or penalties attach, unless such Taxes are being Properly Contested.

10.1.7Insurance. In addition to the insurance required hereunder with respect to Collateral, maintain insurance with insurers (with a Best rating of at least A+, unless otherwise approved by Agent in its discretion) satisfactory to Agent, (a) with respect to the Properties and business of Parent and Subsidiaries of such type (including product liability, workers' compensation, larceny, embezzlement, or other criminal misappropriation insurance), in such amounts, and with such coverages and deductibles as are customary for companies similarly situated; and (b) business interruption insurance in an amount not less than $20,000,000, with deductibles and subject to an endorsement or assignment satisfactory to Agent.

10.1.8Licenses. Keep each License affecting any Collateral (including the manufacture, distribution or disposition of Inventory) or any other material Property of Parent and Subsidiaries in full force and effect; promptly notify Agent of any proposed modification to any such License, or entry into any new License, in each case at least 30 days prior to its effective date; pay all royalties and other amounts when due under any License; and notify Agent of any default or breach asserted by any Person to have occurred under any License.

10.1.9Future Subsidiaries. Promptly notify Agent upon any Person becoming a Subsidiary and cause it to guaranty the Obligations in a manner satisfactory to Agent, and to execute and deliver such documents, instruments and agreements and to take such other actions as Agent shall require to evidence and perfect a Lien in favor of Agent on all assets of such Person, including delivery of such legal opinions, in form and substance satisfactory to Agent, as it shall deem appropriate.

10.1.10 Anti-Corruption Laws. Conduct its business in compliance with applicable anti-corruption laws and maintain policies and procedures designed to promote and achieve compliance with such laws.

10.1.11Depository Relationship.

(a) (i) Within 120 days after the Closing Date, Promethean U.K. shall transfer all of its Deposit Accounts to Bank of America and direct all of its Account Debtors to remit payments on its Accounts to the Dominion Account maintained by Bank of America, and (ii) by no later than the earlier of (x) 120 days after the Closing Date and (y) 45 days after the opening of Deposit Accounts at Bank of America for Promethean U.K., Promethean U.K. shall execute and deliver to Agent such documents and take such actions as requested by Agent to grant to Agent a "fixed charge" under the laws of England and Wales over its Deposit Accounts and Accounts, all in form and substance satisfactory to Agent.

(b) Within 90 days after the Closing Date and at all times thereafter, Promethean U.S. shall maintain Bank of America and its Affiliates as its principal depository institution for all Cash Management and other banking needs of Promethean U.S.

10.1.12 UK pension plans.

(a) The Parent shall ensure that all pension schemes operated by or maintained for its benefit or the benefit of any of its Subsidiaries and/or any of their employees are fully funded based on the statutory funding objective under sections 221 and 222 of the Pensions Act 2004 and that no action or omission is taken by it or any of its Subsidiaries in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect (including, without limitation, the termination or commencement of winding-up proceedings of any such pension scheme or the Parent or any of its Subsidiaries ceasing to employ any member of such a pension scheme).

(b) The Parent shall ensure that neither it nor any of its Subsidiaries is or has been at any time an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993) or "connected" with or an "associate" of (as those terms are used in sections 38 or 43 of the Pensions Act 2004) such an employer.

(c) The Parent shall deliver to the Agent at such times as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes or to the Parent), actuarial reports in relation to all pension schemes mentioned in paragraph (a) above.

(d) The Parent shall promptly notify the Agent of any material change in the rate of contributions to any pension schemes mentioned in (a) above paid or recommended to be paid (whether by the scheme actuary or otherwise) or required (by law or otherwise).

(e) Each Obligor shall immediately notify the Agent of any investigation or proposed investigation by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to it or any of its Subsidiaries.

(f) Each Obligor shall immediately notify the Agent if it receives a Financial Support Direction or a Contribution Notice from the Pensions Regulator.

10.1.13 Centre of Main Interests. Each U.K. Obligor shall maintain its centre of main interests in England and Wales for the purposes of the Regulation.

10.1.14 People with Significant Control regime. The Parent and its Subsidiaries shall (a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of a Lien in favor of the Agent, and (b) promptly provide the Agent with a copy of that notice.

10.1.15 Dormant Subsidiaries. Parent shall cause PTL and PWI to have no material assets or material liabilities and conduct no business.

10.1.16 UBS Bank Guaranty. Promptly (but no later than 3 Business Days) after a failure by Thiemstone Limited to pay its Accounts owed by Borrower within the applicable payment terms, Borrower shall make a demand on the UBS Bank Guaranty pursuant to the terms of the UBS Bank Guaranty and notify Agent of such demand.

10.1.17 Post Closing Date Documentation. By no later than the dates specified below, Borrowers shall deliver to Agent each of the following items, in form and substance satisfactory to Agent:

(a) Within 10 Business Days after the Closing Date, Promethean U.K. shall deliver to Agent insurance certificates and endorsements in compliance with **Section 5.5.2**.

(b) Within 10 Business Days after the Closing Date, Promethean U.S. shall deliver to Agent insurance endorsements in compliance with **Section 5.5.2**.

10.2 Negative Covenants. As long as any Revolver Commitments or Obligations are outstanding, Parent each Borrower shall not, and shall cause each Subsidiary not to:

10.1.1 Permitted Debt. Create, incur, guarantee or suffer to exist any Debt, except:

(a) the Obligations;

(b) Subordinated Debt;

(c) Permitted Purchase Money Debt;

(d) Borrowed Money (other than the Obligations, Subordinated Debt and Permitted Purchase Money Debt), but only to the extent outstanding on the Closing Date and not satisfied with proceeds of the initial Revolver Loans;

(e) Debt with respect to Bank Products incurred in the Ordinary Course of Business;

(f) Debt that is in existence when a Person becomes a Subsidiary or that is secured by an asset when acquired by Parent or a Subsidiary, as long as such Debt was not incurred in contemplation of such Person becoming a Subsidiary or such acquisition, and does not exceed $1,000,000 in the aggregate at any time;

(g) Permitted Contingent Obligations;

(h) Refinancing Debt as long as each Refinancing Condition is satisfied; and

(i) Debt that is not included in any of the preceding clauses of this Section, is not secured by a Lien and does not exceed $1,000,000 in the aggregate at any time.

10.1.2Permitted Liens. Create or suffer to exist any Lien upon any of its Property, except the following (collectively, "Permitted Liens"):

(a) Liens in favor of Agent;

(b) Purchase Money Liens securing Permitted Purchase Money Debt;

(c) Liens for Taxes not yet due or being Properly Contested;

(d) statutory Liens (other than Liens for Taxes or imposed under ERISA) arising in the Ordinary Course of Business, but only if (i) payment of the obligations secured thereby is not yet due or is being Properly Contested, and (ii) such Liens do not materially impair the value or use of the Property or materially impair operation of the business of any Borrower or Subsidiary;

(e) Liens incurred or deposits made in the Ordinary Course of Business to secure the performance of government tenders, bids, contracts, statutory obligations and other similar obligations, as long as such Liens are at all times junior to Agent's Liens and are required or provided by law;

(f) Liens arising in the Ordinary Course of Business that are subject to Lien Waivers;

(g) Liens arising by virtue of a judgment or judicial order against any Borrower or Subsidiary, or any Property of a Borrower or Subsidiary, as long as such Liens are (i) in existence for less than 20 consecutive days or being Properly Contested, and (ii) at all times junior to Agent's Liens;

(h) easements, rights-of-way, restrictions, covenants or other agreements of record, and other similar charges or encumbrances on Real Estate, that do not secure any monetary obligation and do not interfere with the Ordinary Course of Business;

(i) normal and customary rights of setoff upon deposits in favor of depository institutions, and Liens of a collecting bank on Payment Items in the course of collection;

(j) Liens on assets (other than Accounts and Inventory) acquired in a Permitted Acquisition, securing Debt permitted by **Section 10.2.1(f)**; and

(k) existing Liens shown on **Schedule 10.2.2**.

10.1.3 Reserved.

10.1.4Distributions; Upstream Payments. Declare or make any Distributions, except Upstream Payments and other Distributions so long as the Payment Conditions are satisfied with respect to each such other Distribution; or create or suffer to exist any encumbrance or restriction on the ability of a Subsidiary to make any Upstream Payment, except for restrictions under the Loan Documents, under Applicable Law or in effect on the Closing Date as shown on **Schedule 9.1.15**.

10.1.5 Restricted Investments. Make any Restricted Investment.

10.1.6Disposition of Assets. Make any Asset Disposition, except a Permitted Asset Disposition, a disposition of Equipment under **Section 8.4.2**, or a transfer of Property by a Subsidiary or Obligor to a Borrower.

10.1.7 Loans. Make any loans or other advances of money to any Person, except (a) advances to an officer or employee for salary, travel expenses, commissions and similar items in the Ordinary Course of Business; (b) prepaid expenses and extensions of trade credit made in the Ordinary Course of Business; and (c) deposits with financial institutions permitted hereunder.

10.1.8 Restrictions on Payment of Certain Debt. Make any payments (whether voluntary or mandatory, or a prepayment, redemption, retirement, defeasance or acquisition) with respect to any (a) Subordinated Debt, except regularly scheduled payments of principal, interest and fees, but only to the extent permitted under any subordination agreement relating to such Debt (and a Senior Officer of Borrower Agent shall certify to Agent, not less than five Business Days prior to the date of payment, that all conditions under such agreement have been satisfied); or (b) Borrowed Money (other than the Obligations) prior to its due date under the agreements evidencing such Debt as in effect on the Closing Date (or as amended thereafter with the consent of Agent) unless the Payment Conditions are satisfied with respect to each payment made on such Borrowed Money.

10.1.9 Fundamental Changes. Change its name or conduct business under any fictitious name; change its tax, charter or other organizational identification number; change its form or state of organization; liquidate, wind up its affairs or dissolve itself; or merge, amalgamate, combine or consolidate with any Person, whether in a single transaction or in a series of related transactions, except for (a) mergers, amalgamations or consolidations of a wholly-owned Subsidiary with another wholly-owned Subsidiary or into a Borrower; or (b) Permitted Acquisitions.

10.1.10 Subsidiaries. Form or acquire any Subsidiary after the Closing Date, except in accordance with **Sections 10.1.9**, **10.2.5** and **10.2.9**; or permit any existing Subsidiary to issue any additional Equity Interests except directors' qualifying shares.

10.1.11 Organic Documents. Amend, modify or otherwise change any of its Organic Documents, except in connection with a transaction permitted under **Section 10.2.9**.

10.1.12 Tax Consolidation. File or consent to the filing of any consolidated income tax return with any Person other than Parent and Subsidiaries.

10.1.13 Accounting Changes. Make any material change in accounting treatment or reporting practices, except as required by IFRS and in accordance with **Section 1.2**; or change its Fiscal Year.

10.1.14 Restrictive Agreements. Become a party to any Restrictive Agreement, except a Restrictive Agreement (a) in effect on the Closing Date; (b) relating to secured Debt permitted hereunder, as long as the restrictions apply only to collateral for such Debt; or (c) constituting customary restrictions on assignment in leases and other contracts.

10.1.15 Hedging Agreements. Enter into any Hedging Agreement, except to hedge risks arising in the Ordinary Course of Business and not for speculative purposes.

10.1.16 Conduct of Business. Engage in any business, other than its business as conducted on the Closing Date and any activities incidental thereto.

10.1.17 Affiliate Transactions. Enter into or be party to any transaction with an Affiliate, except (a) transactions expressly permitted by the Loan Documents; (b) payment of reasonable compensation to officers and employees for services actually rendered, and payment of customary directors' fees and indemnities; (c) transactions solely among Borrowers; (d) transactions with Affiliates consummated prior to the Closing Date, as shown on **Schedule 10.2.17**; and (e) transactions with Affiliates in the Ordinary Course of Business, upon fair and reasonable terms fully disclosed to Agent and no less favorable than would be obtained in a comparable arm's-length transaction with a non-Affiliate.

10.1.18 Plans. Become party to any Multiemployer Plan or Foreign Plan, other than any in existence on the Closing Date.

10.1.19 Amendments to Subordinated Debt. Amend, supplement or otherwise modify any document, instrument or agreement relating to any Subordinated Debt, if such modification (a) increases the principal balance of such Debt, or increases any required payment of principal or interest; (b) accelerates the date on which any installment of principal or any interest is due, or adds any additional redemption, put or prepayment provisions; (c) shortens the final maturity date or otherwise accelerates amortization; (d) increases the interest rate; (e) increases or adds any fees or charges; (f) modifies any covenant in a manner or adds any representation, covenant or default that is more onerous or restrictive in any material respect for Parent or any Subsidiary, or that is otherwise materially adverse to any Borrower, any Subsidiary or Lenders; or (g) results in the Obligations not being fully benefited by the subordination provisions thereof.

10.3 Financial Covenants. As long as any Revolver Commitments or Obligations are outstanding, Parent shall:

10.1.1Fixed Charge Coverage Ratio. Maintain a Fixed Charge Coverage Ratio for each 4 Fiscal Quarter period of at least 1.00:1.00 while a Trigger Period is in effect, measured quarterly as of the last day of each Fiscal Quarter for the most recent Fiscal Quarter for which financial statements were delivered hereunder prior to the Trigger Period and each Fiscal Quarter ending thereafter until the Trigger Period is no longer in effect.

SECTION 11. EVENTS OF DEFAULT; REMEDIES ON DEFAULT

11.1 Events of Default. Each of the following shall be an "Event of Default" if it occurs for any reason whatsoever, whether voluntary or involuntary, by operation of law or otherwise:

(a) Any Borrower fails to pay (i) the principal amount of any Obligations when due (whether at stated maturity, on demand, upon acceleration or otherwise) or (ii) interest and fees with respect to any Obligations within 3 days of its due date (whether at stated maturity, on demand, upon acceleration or otherwise);

(b) Any representation, warranty or other written statement of an Obligor made in connection with any Loan Documents or transactions contemplated thereby is incorrect or misleading in any material respect when given;

(c) Parent or a Borrower, as applicable, breaches or fail to perform any covenant contained in **Section 7.2, 7.4, 7.6, 8.1, 8.2.4, 8.2.5, 8.6.2, 10.1.1, 10.1.2, 10.1.17, 10.2 or 10.3**;

(d) An Obligor breaches or fails to perform any other covenant contained in any Loan Documents, and such breach or failure is not cured within 30 days after a Senior Officer of such Obligor has knowledge thereof or receives notice thereof from Agent, whichever is sooner; provided, that such notice and opportunity to cure shall not apply if the breach or failure to perform is not capable of being cured within such period or is a willful breach by an Obligor;

(e) A Guarantor repudiates, revokes or attempts to revoke its Guaranty; an Obligor or third party denies or contests the validity or enforceability of any Loan Documents or Obligations, or the perfection or priority of any Lien granted to Agent; or any Loan Document ceases to be in full force or effect for any reason (other than a waiver or release by Agent and Lenders);

(f) Any breach or default of an Obligor occurs under (i) any Hedging Agreement; or (ii) any instrument or agreement to which it is a party or by which it or any of its Properties is bound, relating to any Debt (other than the Obligations) in excess of $1,000,000, if the maturity of or any payment with respect to such Debt may be accelerated or demanded due to such breach;

(g) Any judgment or order for the payment of money is entered against an Obligor in an amount that exceeds, individually or cumulatively with all unsatisfied judgments or orders against all Obligors, $1,000,000 (net of insurance coverage therefor that has not been denied by the insurer), unless a stay of enforcement of such judgment or order is in effect;

(h) A loss, theft, damage or destruction occurs with respect to any Collateral if the amount not covered by insurance exceeds $1,000,000;

(i) An Obligor is enjoined, restrained or in any way prevented by any Governmental Authority from conducting any material part of its business; an Obligor suffers the loss, revocation or termination of any material license, permit, lease or agreement necessary to its business; there is a cessation of any material part of an Obligor's business for a material period of time; any material Collateral or Property of an Obligor is taken or impaired through condemnation; an Obligor agrees to or commences any liquidation, dissolution or winding up of its affairs; or an Obligor is not Solvent;

(j) An Insolvency Proceeding is commenced by an Obligor; an Obligor makes an offer of settlement, extension or composition to its unsecured creditors generally; a trustee is appointed to take possession of any substantial Property of or

to operate any of the business of an Obligor; or an Insolvency Proceeding is commenced against an Obligor and the Obligor consents to institution of the proceeding, the petition commencing the proceeding is not timely contested by the Obligor, the petition is not, in respect of a U.S. Obligor, dismissed within 45 days after filing, an order for relief is entered in the proceeding, or in respect of a U.K. Obligor, the petition is a winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement;

(k) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of an Obligor to a Pension Plan, Multiemployer Plan or PBGC, or that constitutes grounds for appointment of a trustee for or termination by the PBGC of any Pension Plan or Multiemployer Plan; an Obligor or ERISA Affiliate fails to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan; or any event similar to the foregoing occurs or exists with respect to a Foreign Plan;

(l) Any U.K. Obligor (i) is unable or admits inability to pay its debts as they fall due; (ii) suspends making payments on any of its debts or, (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or (b) if in respect of any U.K. Obligor, (i) the value of its assets is less than that its liabilities (taking into account contingent and prospective liabilities); or (ii) a moratorium or other protection from its creditors is declared or imposed in respect of any its indebtedness;

(m) An Obligor or any of its Senior Officers is criminally indicted or convicted for (i) a felony committed in the conduct of the Obligor's business, or
(ii) violating any state or federal law (including the Controlled Substances Act, Money Laundering Control Act of 1986 and Illegal Exportation of War Materials Act) that could lead to forfeiture of any material Property or any Collateral; or

(n) A Change of Control occurs; or any event occurs or condition exists that has a Material Adverse Effect.

(o) The Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any U.K. Obligor unless the aggregate liability of the Obligors under all Financial Support Directions and Contributions Notices is less than £200,000 (or its equivalent in another currency or currencies).

11.2 Remedies upon Default. If an Event of Default described in **Section 11.1(j)** occurs with respect to any Borrower, then to the extent permitted by Applicable Law, all Obligations (other than Secured Bank Product Obligations) shall become automatically due and payable and all Revolver Commitments shall terminate, without any action by Agent or notice of any kind. In addition, or if any other Event of Default exists, Agent may in its discretion (and shall upon written direction of Required Lenders) do any one or more of the following from time to time:

(a) declare any Obligations (other than Secured Bank Product Obligations) immediately due and payable, whereupon they shall be due and payable without diligence, presentment, demand, protest or notice of any kind, all of which are hereby waived by Borrowers to the fullest extent permitted by law;

(b) terminate, reduce or condition any Revolver Commitment or adjust the Borrowing Base;

(c) require Obligors to Cash Collateralize their LC Obligations, Secured Bank Product Obligations and other Obligations that are contingent or not yet due and payable, and if Obligors fail to deposit such Cash Collateral, Agent may (and shall upon the direction of Required Lenders) advance the required Cash Collateral as Revolver Loans (whether or not an Overadvance exists or is created thereby, or the conditions in **Section 6** are satisfied); and

(d) exercise any other rights or remedies afforded under any agreement, by law, at equity or otherwise, including the rights and remedies of a secured party under the UCC. Such rights and remedies include the rights to (i) take possession of any Collateral; (ii) require Borrowers to assemble Collateral, at Borrowers' expense, and make it available to Agent at a place designated by Agent; (iii) enter any premises where Collateral is located and store Collateral on such premises until sold (and if the premises are owned or leased by a Borrower, Borrowers agree not to charge for such storage); and (iv) sell or otherwise dispose of any Collateral in its then condition, or after any further manufacturing or processing thereof, at public or private sale, with such notice as may be required by Applicable Law, in lots or in bulk, at such locations, all as Agent, in its discretion, deems advisable. Each Borrower agrees that 10 days notice of any proposed sale or other disposition of Collateral by Agent shall be reasonable, and that any sale conducted on the internet or to a licensor of Intellectual Property shall be commercially reasonable. Agent may conduct sales on any Obligor's premises, without charge, and any sale may be adjourned from time to time in accordance with Applicable Law. Agent shall have the right to sell, lease or otherwise dispose of any Collateral for cash, credit or any combination thereof, and Agent may purchase any Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of the purchase price, may credit bid and set off the amount of such price against the Obligations.

11.1 License. Agent is hereby granted an irrevocable, non-exclusive license or other right to use, license or sub-license (without payment of royalty or other compensation to any Person) any or all Intellectual Property of Borrowers, computer hardware and software, trade secrets, brochures, customer lists, promotional and advertising materials, labels, packaging materials and other Property, in advertising for sale, marketing, selling, collecting, completing manufacture of, or otherwise exercising any rights or remedies with respect to, any Collateral, to be exercised during the existence of an Event of Default. Each Borrower's rights and interests under Intellectual Property shall inure to Agent's benefit.

11.2 Setoff. At any time during the continuance of an Event of Default, Agent, Issuing Bank, Lenders, and any of their Affiliates are authorized, to the fullest extent permitted by

Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by Agent, Issuing Bank, such Lender or such Affiliate to or for the credit or the account of an Obligor against its Obligations, whether or not Agent, Issuing Bank, such Lender or such Affiliate shall have made any demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured or are owed to a branch or office of Agent, Issuing Bank, such Lender or such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness. The rights of Agent, Issuing Bank, each Lender and each such Affiliate under this Section are in addition to other rights and remedies (including other rights of setoff) that such Person may have, to be exercised only during the continuation of an Event of Default. Each Lender and Issuing Bank agrees to notify the Borrower Agent and the Agent promptly of any such setoff and application to the extent required by Applicable Law.

11.3 Remedies Cumulative; No Waiver.

11.1.1 Cumulative Rights. All agreements, warranties, guaranties, indemnities and other undertakings of Obligors under the Loan Documents are cumulative and not in derogation of each other. The rights and remedies of Agent and Lenders under the Loan Documents are cumulative, may be exercised at any time and from time to time, concurrently or in any order, and are not exclusive of any other rights or remedies available by agreement, by law, at equity or otherwise. All such rights and remedies shall continue in full force and effect until Full Payment of all Obligations.

11.1.2 Waivers. No waiver or course of dealing shall be established by (a) the failure or delay of Agent or any Lender to require strict performance by any Obligor under any Loan Document, or to exercise any rights or remedies with respect to Collateral or otherwise; (b) the making of any Revolver Loan or issuance of any Letter of Credit during a Default, Event of Default or other failure to satisfy any conditions precedent; or (c) acceptance by Agent or any Lender of any payment or performance by an Obligor under any Loan Documents in a manner other than that specified therein. Any failure to satisfy a financial covenant on a measurement date shall not be cured or remedied by satisfaction of such covenant on a subsequent date.

SECTION 12. AGENT

12.1 Appointment, Authority and Duties of Agent.

12.1.1 Appointment and Authority. Each Secured Party appoints and designates Bank of America as Agent under all Loan Documents. Agent may, and each Secured Party authorizes Agent to, enter into all Loan Documents to which Agent is intended to be a party and accept all Security Documents. Any action taken by Agent in accordance with the provisions of the Loan Documents, and the exercise by Agent of any rights or remedies set forth therein, together with all other powers reasonably incidental thereto, shall be authorized by and binding upon all Secured Parties. Without limiting the generality of the foregoing, Agent shall have the sole and exclusive authority to (a) act as the disbursing and collecting agent for Lenders with respect to all payments and collections arising in

connection with the Loan Documents; (b) execute and deliver as Agent each Loan Document, including any intercreditor or subordination agreement, and accept delivery of each Loan Document; (c) act as collateral agent for Secured Parties for purposes of perfecting and administering Liens under the Loan Documents, and for all other purposes stated therein; (d) manage, supervise or otherwise deal with Collateral; and (e) take any Enforcement Action or otherwise exercise any rights or remedies with respect to any Collateral or under any Loan Documents, Applicable Law or otherwise. Agent alone is authorized to determine eligibility and applicable advance rates under the Borrowing Base, whether to impose or release any reserve, or whether any conditions to funding or issuance of a Letter of Credit have been satisfied, which determinations and judgments, if exercised in good faith, shall exonerate Agent from liability to any Secured Party or other Person for any error in judgment.

12.1.2Duties. The title of "Agent" is used solely as a matter of market custom and the duties of Agent are administrative in nature only. Agent has no duties except those expressly set forth in the Loan Documents, and in no event does Agent have any agency, fiduciary or implied duty to or relationship with any Secured Party or other Person by reason of any Loan Document or related transaction. The conferral upon Agent of any right shall not imply a duty to exercise such right, unless instructed to do so by Lenders in accordance with this Agreement.

12.1.3Agent Professionals. Agent may perform its duties through agents and employees. Agent may consult with and employ Agent Professionals, and shall be entitled to act upon, and shall be fully protected in any action taken in good faith reliance upon, any advice given by an Agent Professional. Agent shall not be responsible for the negligence or misconduct of any agents, employees or Agent Professionals selected by it with reasonable care.

12.1.4Instructions of Required Lenders. The rights and remedies conferred upon Agent under the Loan Documents may be exercised without the necessity of joining any other party, unless required by Applicable Law. In determining compliance with a condition for any action hereunder, including satisfaction of any condition in **Section 6**, Agent may presume that the condition is satisfactory to a Secured Party unless Agent has received notice to the contrary from such Secured Party before Agent takes the action. Agent may request instructions from Required Lenders or other Secured Parties with respect to any act (including the failure to act) in connection with any Loan Documents or Collateral, and may seek assurances to its satisfaction from Secured Parties of their indemnification obligations against Claims that could be incurred by Agent. Agent may refrain from any act until it has received such instructions or assurances, and shall not incur liability to any Person by reason of so refraining. Instructions of Required Lenders shall be binding upon all Secured Parties, and no Secured Party shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting pursuant to instructions of Required Lenders. Notwithstanding the foregoing, instructions by and consent of specific parties shall be required to the extent provided in **Section 14.1.1**. In no event shall Agent be required to take any action that it determines in its discretion is contrary to Applicable Law or any Loan Documents or could subject any Agent Indemnitee to liability.

12.1.5 Agent as Security Trustee. For the purposes of any Liens created under a U.K. Security Document, the following additional provisions shall apply, in addition to the provisions set out in this Section 12 or otherwise hereunder.

(a) In this Section 12.1.5, the following expressions have the following meanings:

"Appointee" means any receiver, administrator or other insolvency officer appointed in respect of any Obligor or its assets.

"Charged Property" means the assets of an Obligor subject to a security interest under a U.K. Security Document.

(b) The Secured Parties appoint the Agent to hold the security interests constituted by the U.K. Security Documents on trust for the Secured Parties on the terms of the Loan Documents and the Agent accepts that appointment.

(c) The Agent, its subsidiaries and associated companies may each retain for its own account and benefit any fee, remuneration and profits paid to it in connection with (i) its activities under the Loan Documents; and (ii) its engagement in any kind of banking or other business with any Obligor.

(d) The Agent shall notify the Lenders of the appointment of each Appointee.

(e) The Agent may pay reasonable remuneration to any Appointee, together with any costs and expenses (including legal fees) reasonably incurred by the Appointee in connection with its appointment. All such remuneration, costs and expenses shall be treated, for the purposes of this Agreement, as paid or incurred by the Agent.

(f) Each Appointee shall have every benefit, right, power and discretion and the benefit of every exculpation (together "Rights") of the Agent (in its capacity as security trustee) under the U.K. Security Documents, and each reference to the Agent (where the context requires that such reference is to the Agent in its capacity as security trustee) in the provisions of the U.K. Security Documents which confer Rights shall be deemed to include a reference to each Appointee.

(g) Each Secured Party confirms its approval of the U.K. Security Documents and authorizes and instructs the Agent: (i) to execute and deliver the U.K. Security Documents; (ii) to exercise the rights, powers and discretions given to the Agent (in its capacity as security trustee) under or in connection with the U.K. Security Documents together with any other incidental rights, powers and discretions; and (iii) to give any authorizations and confirmations to be given by the Agent (in its capacity as security trustee) on behalf of the Secured Parties under the U.K. Security Documents.

(h) The Agent may accept without inquiry the title (if any) which any person may have to the Charged Property.

(i) Each other Secured Party confirms that it does not wish to be registered as a joint proprietor of any security interest constituted by a U.K. Security Document and accordingly authorizes: (a) the Agent to hold such security interest in its sole name (or in the name of any Delegate) as trustee for the Secured Parties; and (b) the Land Registry (or other relevant registry) to register the Agent (or any Delegate or Appointee) as a sole proprietor of such security interest.

(j) Except to the extent that a U.K. Security Document otherwise requires, any moneys which the Agent receives under or pursuant to a U.K. Security Document may be: (a) invested in any investments which the Agent selects and which are authorized by applicable law; or (b) placed on deposit at any bank or institution (including the Agent) on terms that the Agent thinks fit, in each case in the name or under the control of the Agent, and the Agent shall hold those moneys, together with any accrued income (net of any applicable Taxes) to the order of the Lenders, and shall pay them to the Lenders on demand.

(k) Every appointment of a successor Agent under a U.K. Security Document shall be by deed.

(l) Section 1 of the Trustee Act 2000 shall not apply to the duty of the Agent in relation to the trusts constituted by this Agreement.

(m) In the case of any conflict between the provisions of this Agreement and those of the Trustee Act 1925 or the Trustee Act 2000, the provisions of this Agreement shall prevail to the extent allowed by law, and shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

(n) The perpetuity period under the rule against perpetuities if applicable to this Agreement and any U.K. Security Document shall be 80 years from the date of this Agreement.

12.1.6

12.1.7Liens. Any reference in this Agreement to Liens stated to be in favor of Agent shall be construed so as to include a reference to Liens granted in favor of Agent in its capacity as security trustee of Secured Parties.

12.1.8Successors. Secured Parties agree that at any time that the Person acting as security trustee of Secured Parties in respect of the U.K. Security Agreements shall be a Person other than Agent, such other Person shall have the rights, remedies, benefits and powers granted to Agent in its capacity as security trustee of Secured Parties under this Agreement and the U.K. Security Agreements.

12.1.9Capacity. Nothing in **Sections 12.1.5** to **12.1.8** shall require Agent in its capacity as security trustee of Secured Parties under this Agreement and the U.K. Security

Agreements to act as a trustee at common law or to be holding any property on trust, in any jurisdiction outside the United States or the U.K. which may not operate under principles of trust or where such trust would not be recognized or its effects would not be enforceable.

12.2 Agreements Regarding Collateral and Borrower Materials.

12.1.1Lien Releases; Care of Collateral. Secured Parties authorize Agent to release any Lien on any Collateral (a) upon Full Payment of the Obligations; (b) that is the subject of a disposition or Lien that Borrowers certify in writing is a Permitted Asset Disposition or a Permitted Lien entitled to priority over Agent's Liens (and Agent may rely conclusively on such certificate without further inquiry); (c) that does not constitute a material part of the Collateral; or (d) subject to **Section 14.1**, with the consent of Required Lenders. Secured Parties authorize Agent to subordinate its Liens to any Purchase Money Lien or other Lien entitled to priority hereunder. Agent has no obligation to assure that any Collateral exists or is owned by an Obligor, or is cared for, protected or insured, nor to assure that Agent's Liens have been properly created, perfected or enforced, or are entitled to any particular priority, nor to exercise any duty of care with respect to any Collateral. In respect of any U.K. Security Document, the Agent shall not have any obligation or duty to any person for any loss suffered as a result of: (i) the lack or inadequacy of any insurance; or (ii) the failure of the Agent to notify the insurers of any material fact relating to the risk assumed by them, or of any other information of any kind, unless Required Lenders have requested it to do so in writing and the Agent has failed to do so within fourteen (14) days after receipt of that request.

12.1.2Possession of Collateral. Agent and Secured Parties appoint each Secured Party as agent (for the benefit of Secured Parties) for the purpose of perfecting Liens in Collateral held or controlled by it, to the extent such Liens are perfected by possession or control. If a Secured Party obtains possession or control of any Collateral, it shall notify Agent thereof and, promptly upon Agent's request, deliver such Collateral to Agent or otherwise deal with it in accordance with Agent's instructions. The Agent shall not be obligated to hold in its own possession a U.K. Security Document, title deed or other document relating to the assets of an Obligor subject to a security interest under a U.K. Security Document.

12.1.3Reports. Agent shall promptly provide to Lenders, when complete, any field examination, audit or appraisal report prepared for Agent with respect to any Obligor or Collateral ("Report"). Reports and other Borrower Materials may be made available to Lenders by providing access to them on the Platform, but Agent shall not be responsible for system failures or access issues that may occur from time to time. Each Lender agrees
(a) that Reports are not intended to be comprehensive audits or examinations, and that Agent or any other Person performing an audit or examination will inspect only limited information and will rely significantly upon Borrowers' books, records and representations; (b) that Agent makes no representation or warranty as to the accuracy or completeness of any Borrower Materials and shall not be liable for any information contained in or omitted from any Borrower Materials, including any Report; and (c) to keep all Borrower Materials confidential and strictly for such Lender's internal use, not to distribute any Report or other Borrower Materials (or the contents thereof) to any Person

(except to such Lender's Participants, attorneys and accountants), and to use all Borrower Materials solely for administration of the Obligations. Each Lender shall indemnify and hold harmless Agent and any other Person preparing a Report from any action such Lender may take as a result of or any conclusion it may draw from any Borrower Materials, as well as from any Claims arising as a direct or indirect result of Agent furnishing same to such Lender, via the Platform or otherwise.

12.3 Reliance By Agent. Agent shall be entitled to rely, and shall be fully protected in relying, upon any certification, notice or other communication (including those by telephone, telex, telegram, telecopy, e-mail or other electronic means) believed by it to be genuine and correct and to have been signed, sent or made by the proper Person. Agent shall have a reasonable and practicable amount of time to act upon any instruction, notice or other communication under any Loan Document, and shall not be liable for any delay in acting.

12.4 Action Upon Default. Agent shall not be deemed to have knowledge of any Default or Event of Default, or of any failure to satisfy any conditions in **Section 6**, unless it has received written notice from a Borrower or Required Lenders specifying the occurrence and nature thereof. If a Lender acquires knowledge of a Default, Event of Default or failure of such conditions, it shall promptly notify Agent and the other Lenders thereof in writing. Each Secured Party agrees that, except as otherwise provided in any Loan Documents or with the written consent of Agent and Required Lenders, it will not take any Enforcement Action, accelerate Obligations (other than Secured Bank Product Obligations) or assert any rights relating to any Collateral.

12.5 Ratable Sharing. If any Lender obtains any payment or reduction of any Obligation, whether through set-off or otherwise, in excess of its ratable share of such Obligation, such Lender shall forthwith purchase from Secured Parties participations in the affected Obligation as are necessary to share the excess payment or reduction on a Pro Rata basis or in accordance with **Section 5.6.2**, as applicable. If any of such payment or reduction is thereafter recovered from the purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest. Notwithstanding the foregoing, if a Defaulting Lender obtains a payment or reduction of any Obligation, it shall immediately turn over the full amount thereof to Agent for application under **Section 4.2.2** and it shall provide a written statement to Agent describing the Obligation affected by such payment or reduction. No Lender shall set off against a Dominion Account without Agent's prior consent.

12.6 Indemnification. EACH SECURED PARTY SHALL INDEMNIFY AND HOLD HARMLESS AGENT INDEMNITEES AND ISSUING BANK INDEMNITEES, TO THE EXTENT NOT REIMBURSED BY OBLIGORS, ON A PRO RATA BASIS, AGAINST ALL CLAIMS THAT MAY BE INCURRED BY OR ASSERTED AGAINST ANY SUCH INDEMNITEE, PROVIDED THAT ANY CLAIM AGAINST AN AGENT INDEMNITEE RELATES TO OR ARISES FROM ITS ACTING AS OR FOR AGENT (IN THE CAPACITY OF AGENT). In Agent's discretion, it may reserve for any Claims made against an Agent Indemnitee or Issuing Bank Indemnitee, and may satisfy any judgment, order or settlement relating thereto, from proceeds of Collateral prior to making any distribution of Collateral proceeds to Secured Parties. If Agent is sued by any receiver, trustee or other Person for any alleged preference or fraudulent transfer, then any monies paid by Agent in settlement or satisfaction of such proceeding, together with all interest, costs and expenses (including attorneys'

fees) incurred in the defense of same, shall be promptly reimbursed to Agent by each Secured Party to the extent of its Pro Rata share.

12.7 Limitation on Responsibilities of Agent. Agent shall not be liable to any Secured Party for any action taken or omitted to be taken under the Loan Documents, except for losses directly and solely caused by Agent's gross negligence or willful misconduct. Agent does not assume any responsibility for any failure or delay in performance or any breach by any Obligor, Lender or other Secured Party of any obligations under the Loan Documents. Agent does not make any express or implied representation, warranty or guarantee to Secured Parties with respect to any Obligations, Collateral, Liens, Loan Documents or Obligor. No Agent Indemnitee shall be responsible to Secured Parties for any recitals, statements, information, representations or warranties contained in any Loan Documents or Borrower Materials; the execution, validity, genuineness, effectiveness or enforceability of any Loan Documents; the genuineness, enforceability, collectability, value, sufficiency, location or existence of any Collateral, or the validity, extent, perfection or priority of any Lien therein; the validity, enforceability or collectability of any Obligations; or the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any Obligor or Account Debtor. No Agent Indemnitee shall have any obligation to any Secured Party to ascertain or inquire into the existence of any Default or Event of Default, the observance by any Obligor of any terms of the Loan Documents, or the satisfaction of any conditions precedent contained in any Loan Documents.

12.8 Successor Agent and Co-Agents.

12.1.1Resignation; Successor Agent. Agent may resign at any time by giving at least 30 days written notice thereof to Lenders and Borrowers. Required Lenders may appoint a successor that is (a) a Lender or Affiliate of a Lender; or (b) a financial institution reasonably acceptable to Required Lenders and (provided no Default or Event of Default exists) Borrowers. If no successor is appointed by the effective date of Agent's resignation, then on such date, Agent may appoint a successor acceptable to it in its discretion (which shall be a Lender unless no Lender accepts the role) or, in the absence of such appointment, Required Lenders shall automatically assume all rights and duties of Agent. The successor Agent shall thereupon succeed to and become vested with all the powers and duties of the retiring Agent without further act. The retiring Agent shall be discharged from its duties hereunder on the effective date of its resignation, but shall continue to have all rights and protections available to Agent under the Loan Documents with respect to actions, omissions, circumstances or Claims relating to or arising while it was acting or transferring responsibilities as Agent or holding any Collateral on behalf of Secured Parties, including the indemnification set forth in **Sections 12.6** and **14.2**, and all rights and protections under this **Section 12**. Any successor to Bank of America by merger or acquisition of stock or this loan shall continue to be Agent hereunder without further act on the part of any Secured Party or Obligor.

12.1.2Co-Collateral Agent. If appropriate under Applicable Law, Agent may appoint a Delegate under any Loan Document on such terms (which may include the power to sub-delegate) and subject to such conditions as the Agent thinks fit to exercise and perform all or any of the duties, rights, powers and discretions vested in it by the Loan Documents and shall not be obliged to supervise any Delegate or be responsible to any

person for any loss incurred by reason of any act, omission, misconduct or default on the part of any Delegate. Each right, remedy and protection intended to be available to Agent under the Loan Documents shall also be vested in such agent. Secured Parties shall execute and deliver any instrument or agreement that Agent may request to effect such appointment. If any such agent shall die, dissolve, become incapable of acting, resign or be removed, then all the rights and remedies of the agent, to the extent permitted by Applicable Law, shall vest in and be exercised by Agent until appointment of a new agent.

12.9 Due Diligence and Non-Reliance. Each Lender acknowledges and agrees that it has, independently and without reliance upon Agent or any other Lenders, and based upon such documents, information and analyses as it has deemed appropriate, made its own credit analysis of each Obligor and its own decision to enter into this Agreement and to fund Revolver Loans and participate in LC Obligations hereunder. Each Secured Party has made such inquiries as it feels necessary concerning the Loan Documents, Collateral and Obligors. Each Secured Party acknowledges and agrees that the other Secured Parties have made no representations or warranties concerning any Obligor, any Collateral or the legality, validity, sufficiency or enforceability of any Loan Documents or Obligations. Each Secured Party will, independently and without reliance upon any other Secured Party, and based upon such financial statements, documents and information as it deems appropriate at the time, continue to make and rely upon its own credit decisions in making Revolver Loans and participating in LC Obligations, and in taking or refraining from any action under any Loan Documents. Except for notices, reports and other information expressly requested by a Lender, Agent shall have no duty or responsibility to provide any Secured Party with any notices, reports or certificates furnished to Agent by any Obligor or any credit or other information concerning the affairs, financial condition, business or Properties of any Obligor (or any of its Affiliates) which may come into possession of Agent or its Affiliates.

12.10 Remittance of Payments and Collections.

12.1.1Remittances Generally. Payments by any Secured Party to Agent shall be made by the time and date provided herein, in immediately available funds. If no time for payment is specified or if payment is due on demand and request for payment is made by Agent by 1:00 p.m. on a Business Day, then payment shall be made by the Secured Party by 3:00 p.m. on such day, and if request is made after 1:00 p.m., then payment shall be made by 11:00 a.m. on the next Business Day. Payment by Agent to any Secured Party shall be made by wire transfer, in the type of funds received by Agent. Any such payment shall be subject to Agent's right of offset for any amounts due from such payee under the Loan Documents.

12.1.2Failure to Pay. If any Secured Party fails to deliver when due any amount payable by it to Agent hereunder, such amount shall bear interest, from the due date until paid in full, at the greater of the Federal Funds Rate or the rate determined by Agent as customary for interbank compensation for two Business Days and thereafter at the Default Rate for the applicable Floating Rate Loans. In no event shall Borrowers be entitled to credit for any interest paid by a Secured Party to Agent, nor shall a Defaulting Lender be entitled to interest on amounts held by Agent pursuant to **Section 4.2**.

12.1.3Recovery of Payments. If Agent pays an amount to a Secured Party in the expectation that a related payment will be received by Agent from an Obligor and such related payment is not received, then Agent may recover such amount from the Secured Party. If Agent determines that an amount received by it must be returned or paid to an Obligor or other Person pursuant to Applicable Law or otherwise, then Agent shall not be required to distribute such amount to any Secured Party. If Agent is required to return any amounts applied by it to Obligations held by a Secured Party, such Secured Party shall pay to Agent, **on demand**, its share of the amounts required to be returned.

12.1 Individual Capacities. As a Lender, Bank of America shall have the same rights and remedies under the Loan Documents as any other Lender, and the terms "Lenders," "Required Lenders" or any similar term shall include Bank of America in its capacity as a Lender. Agent, Lenders and their Affiliates may accept deposits from, lend money to, provide Bank Products to, act as financial or other advisor to, and generally engage in any kind of business with, Obligors and their Affiliates, as if they were not Agent or Lenders hereunder, without any duty to account therefor to any Secured Party. In their individual capacities, Agent, Lenders and their Affiliates may receive information regarding Obligors, their Affiliates and their Account Debtors (including information subject to confidentiality obligations), and shall have no obligation to provide such information to any Secured Party.

12.2 Titles. Each Lender, other than Bank of America, that is designated in connection with this credit facility as an "Arranger," "Bookrunner" or "Agent" of any kind shall have no right or duty under any Loan Documents other than those applicable to all Lenders, and shall in no event have any fiduciary duty to any Secured Party.

12.3 Bank Product Providers. Each Secured Bank Product Provider, by delivery of a notice to Agent of a Bank Product, agrees to be bound by the Loan Documents, including **Sections 5.6**, **12**, **14.3.3** and **14.16**, and agrees to hold harmless Agent Indemnitees, to the extent not reimbursed by Obligors, against all Claims that may be incurred by or asserted against any Agent Indemnitee in connection with such provider's Secured Bank Product Obligations.

12.4 No Third Party Beneficiaries. This **Section 12** is an agreement solely among Secured Parties and Agent, and shall survive Full Payment of the Obligations. This **Section 12** does not confer any rights or benefits upon Obligors or any other Person and nothing in this Agreement constitutes the Agent as a trustee or fiduciary of, nor shall the Agent have any duty or responsibility to, any Obligor. As between Borrowers and Agent, any action that Agent may take under any Loan Documents or with respect to any Obligations shall be conclusively presumed to have been authorized and directed by Secured Parties.

SECTION 13. BENEFIT OF AGREEMENT; ASSIGNMENTS

13.1 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrowers, Agent, Lenders, Secured Parties, and their respective successors and assigns, except that (a) no Borrower shall have the right to assign its rights or delegate its obligations under any Loan Documents; and (b) any assignment by a Lender must be made in compliance with **Section 13.3**. Agent may treat the Person which made any Revolver Loan as the owner thereof for all purposes until such Person makes an assignment in accordance with **Section 13.3**. Any

authorization or consent of a Lender shall be conclusive and binding on any subsequent transferee or assignee of such Lender.

13.2 Participations.

13.1.1 Permitted Participants; Effect. Subject to **Section 13.3.3**, any Lender may sell to a financial institution ("Participant") a participating interest in the rights and obligations of such Lender under any Loan Documents. Despite any sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, it shall remain solely responsible to the other parties hereto for performance of such obligations, it shall remain the holder of its Revolver Loans and Revolver Commitments for all purposes, all amounts payable by Borrowers shall be determined as if it had not sold such participating interests, and Borrowers and Agent shall continue to deal solely and directly with such Lender in connection with the Loan Documents. Each Lender shall be solely responsible for notifying its Participants of any matters under the Loan Documents, and Agent and the other Lenders shall not have any obligation or liability to any such Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of **Section 5.9** unless Borrowers agree otherwise in writing.

13.1.2 Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, waiver or other modification of a Loan Document other than that which forgives principal, interest or fees, reduces the stated interest rate or fees payable with respect to any Revolver Loan or Revolver Commitment in which such Participant has an interest, postpones the Commitment Termination Date or any date fixed for any regularly scheduled payment of principal, interest or fees on such Revolver Loan or Revolver Commitment, or releases any Borrower, Guarantor or substantially all Collateral.

13.1.3 Participant Register. Each Lender that sells a participation shall, acting as a non-fiduciary agent of Borrowers (solely for tax purposes), maintain a register in which it enters the Participant's name, address and interest in Revolver Commitments, Revolver Revolver Loans (and stated interest) and LC Obligations. Entries in the register shall be conclusive, absent manifest error, and such Lender shall treat each Person recorded in the register as the owner of the participation for all purposes, notwithstanding any notice to the contrary. No Lender shall have an obligation to disclose any information in such register except to the extent necessary to establish that a Participant's interest is in registered form under the Code.

13.1.4 Benefit of Setoff. Each Participant shall have a right of set-off in respect of its participating interest to the same extent as if such interest were owing directly to a Lender, and each Lender shall also retain the right of set-off with respect to any participating interests sold by it. By exercising any right of set-off, a Participant agrees to share with Lenders all amounts received through its set-off, in accordance with **Section**
12.5 as if such Participant were a Lender.

13.3 Assignments.

13.1.1Permitted Assignments. A Lender may assign to an Eligible Assignee any of its rights and obligations under the Loan Documents, as long as (a) each assignment is of a constant, and not a varying, percentage of the transferor Lender's rights and obligations under the Loan Documents and, in the case of a partial assignment, is in a minimum principal amount of $5,000,000 (unless otherwise agreed by Agent in its discretion) and integral multiples of $1,000,000 in excess of that amount; (b) except in the case of an assignment in whole of a Lender's rights and obligations, the aggregate amount of the Revolver Commitments retained by the transferor Lender is at least $5,000,000 (unless otherwise agreed by Agent in its discretion); and (c) the parties to each such assignment shall execute and deliver an Assignment to Agent for acceptance and recording. Nothing herein shall limit the right of a Lender to pledge or assign any rights under the Loan Documents to secure obligations of such Lender, including a pledge or assignment to a Federal Reserve Bank; provided, that no such pledge or assignment shall release the Lender from its obligations hereunder nor substitute the pledge or assignee for such Lender as a party hereto.

13.1.2Effect; Effective Date. Upon delivery to Agent of an assignment notice in the form of **Exhibit B** and a processing fee of $3,500 (unless otherwise agreed by Agent in its discretion), the assignment shall become effective as specified in the notice, if it complies with this **Section 13.3**. From such effective date, the Eligible Assignee shall for all purposes be a Lender under the Loan Documents, and shall have all rights and obligations of a Lender thereunder. Upon consummation of an assignment, the transferor Lender, Agent and Borrowers shall make appropriate arrangements for issuance of replacement and/or new notes, if applicable. The transferee Lender shall comply with **Section 5.10** and deliver, upon request, an administrative questionnaire satisfactory to Agent.

13.1.3Certain Assignees. No assignment or participation may be made to a Borrower, Affiliate of a Borrower, Defaulting Lender or natural person. Agent shall have no obligation to determine whether any assignment is permitted under the Loan Documents. Any assignment by a Defaulting Lender must be accompanied by satisfaction of its outstanding obligations under the Loan Documents in a manner satisfactory to Agent, including payment by the Defaulting Lender or Eligible Assignee of an amount sufficient upon distribution (through direct payment, purchases of participations or other methods acceptable to Agent in its discretion) to satisfy all funding and payment liabilities of the Defaulting Lender. If any assignment by a Defaulting Lender (by operation of law or otherwise) does not comply with the foregoing, the assignee shall be deemed a Defaulting Lender for all purposes until compliance occurs.

13.1.4Register. Agent, acting as a non-fiduciary agent of Borrowers (solely for tax purposes), shall maintain (a) a copy (or electronic equivalent) of each Assignment delivered to it, and (b) a register for recordation of the names, addresses and Revolver Commitments of, and the Revolver Loans, interest and LC Obligations owing to, each Lender. Entries in the register shall be conclusive, absent manifest error, and Borrowers, Agent and Lenders shall treat each Person recorded in such register as a Lender for all

purposes under the Loan Documents, notwithstanding any notice to the contrary. Agent may choose to show only one Borrower as the borrower in the register, without any effect on the liability of any Obligor with respect to the Obligations. The register shall be available for inspection by Borrowers or any Lender, from time to time upon reasonable notice.

13.1 Replacement of Certain Lenders. If a Lender (a) within the last 120 days failed to give its consent to any amendment, waiver or action for which consent of all Lenders was required and Required Lenders consented, (b) is a Defaulting Lender, or (c) within the last 120 days gave a notice under **Section 3.5** or requested payment or compensation under **Section 3.7**, **5.9** or **5.12** (and has not designated a different Lending Office pursuant to **Section 3.8**), then Agent or Borrower Agent may, upon 10 days notice to such Lender, require it to assign its rights and obligations under the Loan Documents to Eligible Assignee(s), pursuant to appropriate Assignment(s), within 20 days after the notice. Agent is irrevocably appointed as attorney-in-fact to execute any such Assignment if the Lender fails to execute it. Such Lender shall be entitled to receive, in cash, concurrently with such assignment, all amounts owed to it under the Loan Documents through the date of assignment.

SECTION 14. MISCELLANEOUS

14.1 Consents, Amendments and Waivers.

14.1.1 Amendment. No modification of any Loan Document, including any extension or amendment of a Loan Document or any waiver of a Default or Event of Default, shall be effective without the prior written agreement of Agent (with the consent of Required Lenders) and each Obligor party to such Loan Document; provided, that

(a) without the prior written consent of Agent, no modification shall alter any provision in a Loan Document that relates to any rights, duties or discretion of Agent;

(b) without the prior written consent of Issuing Bank, no modification shall alter **Section 2.3** or any other provision in a Loan Document that relates to Letters of Credit or any rights, duties or discretion of Issuing Bank;

(c) without the prior written consent of each affected Lender, including a Defaulting Lender, no modification shall (i) increase the Revolver Commitment of such Lender; (ii) reduce the amount of, or waive or delay payment of, any principal, interest or fees payable to such Lender (except as provided in **Section 4.2**); (iii) extend the Revolver Termination Date applicable to such Lender's Obligations; or (iv) amend this clause (c);

(d) without the prior written consent of all Lenders (except any Defaulting Lender), no modification shall (i) alter **Section 5.6.2, 7.1** (except to add Collateral) or **14.1.1**; (ii) amend the definition of Borrowing Base, U.S. Accounts Formula Amount or U.K. Accounts Formula Amount (or any defined term used in such definitions) if the effect of such amendment is to increase borrowing availability, Pro Rata or Required Lenders; (iii) release all or substantially all

Collateral; or (iv) except in connection with a merger, amalgamation, disposition or similar transaction expressly permitted hereby, release any Obligor from liability for any Obligations;

(e) without the prior written consent of a Secured Bank Product Provider, no modification shall affect its relative payment priority under **Section 5.6.2**; and

(f) if Real Estate secures any Obligations, no modification of a Loan Document shall add, increase, renew or extend any credit line hereunder until the completion of flood diligence and documentation as required by all Flood Laws or as otherwise satisfactory to all Lenders.

14.1.2Limitations. The agreement of Borrowers shall not be required for any modification of a Loan Document that deals solely with the rights and duties of Lenders, Agent and/or Issuing Bank as among themselves. Only the consent of the parties to any agreement relating to fees or a Bank Product shall be required for modification of such agreement, and no Bank Product provider (in such capacity) shall have any right to consent to modification of any Loan Document other than its Bank Product agreement. Any waiver or consent granted by Agent or Lenders hereunder shall be effective only if in writing and only for the matter specified.

14.1.3Payment for Consents. No Borrower will, directly or indirectly, pay any remuneration or other thing of value, whether by way of additional interest, fee or otherwise, to any Lender (in its capacity as a Lender hereunder) as consideration for agreement by such Lender with any modification of any Loan Documents, unless such remuneration or value is concurrently paid, on the same terms, on a Pro Rata basis to all Lenders providing their consent.

14.2 Indemnity. EACH BORROWER SHALL INDEMNIFY AND HOLD HARMLESS THE INDEMNITEES AGAINST ANY CLAIMS THAT MAY BE INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE, INCLUDING CLAIMS ASSERTED BY ANY OBLIGOR OR OTHER PERSON OR ARISING FROM THE NEGLIGENCE OF AN INDEMNITEE. In no event shall any party to a Loan Document have any obligation thereunder to indemnify or hold harmless an Indemnitee with respect to a Claim that is determined in a final, non-appealable judgment by a court of competent jurisdiction to result from the gross negligence or willful misconduct of such Indemnitee.

14.3 Notices and Communications.

14.1.1Notice Address. Subject to **Section 14.3.2**, all notices and other communications by or to a party hereto shall be in writing and shall be given to any Borrower, at Borrower Agent's address shown on the signature pages hereof, and to any other Person at its address shown on the signature pages hereof (or, in the case of a Person who becomes a Lender after the Closing Date, at the address shown on its Assignment), or at such other address as a party may hereafter specify by notice in accordance with this **Section 14.3**. Each communication shall be effective only (a) if given by facsimile

transmission, when transmitted to the applicable facsimile number, if confirmation of receipt is received; (b) if given by mail, three Business Days after deposit in the U.S. mail, with first-class postage pre-paid, addressed to the applicable address; or (c) if given by personal delivery or overnight courier, when duly delivered to the notice address with receipt acknowledged. Notwithstanding the foregoing, no notice to Agent pursuant to **Section 2.1.4, 2.3, 3.1.2, 4.1.1** or **5.3.3** shall be effective until actually received by the individual to whose attention at Agent such notice is required to be sent. Any written communication that is not sent in conformity with the foregoing provisions shall nevertheless be effective on the date actually received by the noticed party. Any notice received by Borrower Agent shall be deemed received by all Borrowers.

14.1.2Communications. Notices and other communications hereunder and under the other Loan Documents may be delivered or furnished by electronic communication pursuant to procedures approved by the Agent and Issuing Bank. The Agent may accept financial statements, reports and other communications specified in **Section 10.1.2** by electronic communications pursuant to procedures approved by Agent. Secured Parties make no assurance as to the privacy or security of electronic or telephonic communications. E-mail and voice mail shall not be effective notices under the Loan Documents.

14.1.3Platform. Borrower Materials shall be delivered pursuant to procedures approved by Agent, including electronic delivery (if possible) upon request by Agent to an electronic system maintained by Agent ("Platform"). Borrowers shall notify Agent of each posting of Borrower Materials on the Platform and the materials shall be deemed received by Agent only upon its receipt of such notice. Borrower Materials and other information relating to this credit facility may be made available to Secured Parties on the Platform. The Platform is provided "as is" and "as available." Agent does not warrant the accuracy or completeness of any information on the Platform nor the adequacy or functioning of the Platform, and expressly disclaims liability for any errors or omissions in the Borrower Materials or any issues involving the Platform. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON- INFRINGEMENT OF THIRD PARTY RIGHTS, OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY AGENT WITH RESPECT TO BORROWER
MATERIALS OR THE PLATFORM. No Agent Indemnitee shall have any liability to Borrowers, Secured Parties or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) relating to use by any Person of the Platform, including any unintended recipient, nor for delivery of Borrower Materials and other information via the Platform, internet, e-mail, or any other electronic platform or messaging system.

14.1.4Public Information. Obligors and Secured Parties acknowledge that "public" information may not be segregated from material non-public information on the Platform. Secured Parties acknowledge that Borrower Materials may include Obligors' material non-public information, and should not be made available to personnel who do not wish to receive such information or may be engaged in investment or other market- related activities with respect to an Obligor's securities.

14.1.5Non-Conforming Communications. Agent and Lenders may rely upon any communications purportedly given by or on behalf of any Borrower even if they were not made in a manner specified herein, were incomplete or were not confirmed, or if the terms thereof, as understood by the recipient, varied from a later confirmation. Each Borrower shall indemnify and hold harmless each Indemnitee from any liabilities, losses, costs and expenses arising from any electronic or telephonic communication purportedly given by or on behalf of a Borrower.

14.4 Performance of Borrowers' Obligations. Agent may, in its discretion at any time and from time to time, at Borrowers' expense, pay any amount or do any act required of a Borrower under any Loan Documents or otherwise lawfully requested by Agent to (a) enforce any Loan Documents or collect any Obligations; (b) protect, insure, maintain or realize upon any Collateral; or (c) defend or maintain the validity or priority of Agent's Liens in any Collateral, including any payment of a judgment, insurance premium, warehouse charge, finishing or processing charge, or landlord claim, or any discharge of a Lien. All payments, costs and expenses (including Extraordinary Expenses) of Agent under this Section shall be reimbursed to Agent by Borrowers, **on demand**, with interest from the date incurred until paid in full, at the Default Rate applicable to the applicable Floating Rate Loans. Any payment made or action taken by Agent under this Section shall be without prejudice to any right to assert an Event of Default or to exercise any other rights or remedies under the Loan Documents.

14.5 Credit Inquiries. Agent and Lenders may (but shall have no obligation) to respond to usual and customary credit inquiries from third parties concerning any Obligor or Subsidiary.

14.6 Severability. Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be valid under Applicable Law. If any provision is found to be invalid under Applicable Law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of the Loan Documents shall remain in full force and effect.

14.7 Cumulative Effect; Conflict of Terms. The provisions of the Loan Documents are cumulative. The parties acknowledge that the Loan Documents may use several limitations or measurements to regulate similar matters, and they agree that these are cumulative and that each must be performed as provided. Except as otherwise provided in another Loan Document (by specific reference to the applicable provision of this Agreement), if any provision contained herein is in direct conflict with any provision in another Loan Document, the provision herein shall govern and control.

14.8 Counterparts; Execution. Any Loan Document may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when Agent has received counterparts bearing the signatures of all parties hereto. Agent may (but shall have no obligation to) accept any signature, contract formation or record-keeping through electronic means, which shall have the same legal validity and enforceability as manual or paper-based methods, to the fullest extent permitted by Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any similar state law based on the Uniform Electronic Transactions Act. Upon request by Agent, any electronic signature or delivery shall be promptly followed by a manually executed or paper document.

14.9 Entire Agreement. Time is of the essence with respect to all Loan Documents and Obligations. The Loan Documents constitute the entire agreement, and supersede all prior understandings and agreements, among the parties relating to the subject matter thereof.

14.10 Relationship with Lenders. The obligations of each Lender hereunder are several, and no Lender shall be responsible for the obligations or Revolver Commitments of any other Lender. Amounts payable hereunder to each Lender shall be a separate and independent debt. It shall not be necessary for Agent or any other Lender to be joined as an additional party in any proceeding for such purposes. Nothing in this Agreement and no action of Agent, Lenders or any other Secured Party pursuant to the Loan Documents or otherwise shall be deemed to constitute Agent and any Secured Party to be a partnership, joint venture or similar arrangement, nor to constitute control of any Obligor.

14.11 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated by any Loan Document, Borrowers acknowledge and agree that (a)(i) this credit facility and any arranging or other services by Agent, any Lender, any of their Affiliates or any arranger are arm's-length commercial transactions between Borrowers and their Affiliates, on one hand, and Agent, any Lender, any of their Affiliates or any arranger, on the other hand; (ii) Borrowers have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate; and (iii) Borrowers are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated by the Loan Documents;
(b) each of Agent, Lenders, their Affiliates and any arranger is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrowers, their Affiliates or any other Person, and has no obligation with respect to the transactions contemplated by the Loan Documents except as expressly set forth therein; and (c) Agent, Lenders, their Affiliates and any arranger may be engaged in a broad range of transactions that involve interests that differ from those of Borrowers and their Affiliates, and have no obligation to disclose any of such interests to Borrowers or their Affiliates. To the fullest extent permitted by Applicable Law, each Borrower hereby waives and releases any claims that it may have against Agent, Lenders, their Affiliates and any arranger with respect to any breach of agency or fiduciary duty in connection with any transaction contemplated by a Loan Document.

14.12 Confidentiality. Each of Agent, Lenders and Issuing Bank shall maintain the confidentiality of all Information (as defined below), except that Information may be disclosed (a) to its Affiliates, and to its and their partners, directors, officers, employees, agents, auditors, advisors and representatives (provided they are informed of the confidential nature of the Information and instructed to keep it confidential); (b) to the extent requested by any governmental, regulatory or self-regulatory authority purporting to have jurisdiction over it or its Affiliates; (c) to the extent required by Applicable Law or by any subpoena or other legal process;
(d) to any other party hereto; (e) in connection with any action or proceeding relating to any Loan Documents or Obligations; (f) subject to an agreement containing provisions substantially the same as this Section, to any Transferee or any actual or prospective party (or its advisors) to any Bank Product or to any swap, derivative or other transaction under which payments are to be made by reference to an Obligor or Obligor's obligations; (g) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) is available to Agent, any Lender, Issuing Bank or any of their Affiliates on a nonconfidential basis from a source other than

Borrowers; (h) on a confidential basis to a provider of a Platform; or (i) with the consent of Borrower Agent. Notwithstanding the foregoing, Agent and Lenders may publish or disseminate general information concerning this credit facility for league table, tombstone and advertising purposes, and may use Borrowers' logos, trademarks or product photographs in advertising materials. As used herein, "Information" means information received from an Obligor or Subsidiary thereof relating to it or its business that is not publicly available and which such Obligor or Subsidiary as confidential. Each of Agent, Lenders and Issuing Bank acknowledges that (i) Information may include material non-public information; (ii) it has developed compliance procedures regarding the use of such information; and (iii) it will handle the material non-public information in accordance with Applicable Law.

14.13 Reserved.

14.14 GOVERNING LAW. UNLESS EXPRESSLY PROVIDED IN ANY LOAN DOCUMENT, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ALL CLAIMS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS.

14.15 Consent to Forum; Bail-In of EEA Financial Institutions.

14.1.1Forum. EACH BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE COURT SITTING IN THE BOROUGH OF MANHATTAN OR THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, IN ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING RELATING IN ANY WAY TO ANY LOAN DOCUMENTS, AND AGREES THAT ANY DISPUTE, ACTION, LITIGATION OR OTHER PROCEEDING SHALL BE BROUGHT BY IT SOLELY IN ANY SUCH COURT. EACH BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL CLAIMS, OBJECTIONS AND DEFENSES THAT IT MAY HAVE REGARDING ANY SUCH COURT'S PERSONAL OR SUBJECT MATTER JURISDICTION, VENUE OR INCONVENIENT FORUM. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND CONSENTS TO SERVICE OF PROCESS IN THE MANNER
PROVIDED FOR NOTICES IN SECTION 14.3.1. A final judgment in any proceeding of any such court shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or any other manner provided by Applicable Law. Nothing herein shall limit the right of Agent or any Lender to bring proceedings against any Obligor in any other court, nor limit the right of any party to serve process in any other manner permitted by Applicable Law, including bringing proceedings in London, England against any U.K. Obligor to enforce their Obligations. Nothing in this Agreement shall be deemed to preclude enforcement by Agent of any judgment or order obtained in any forum or jurisdiction.

14.1.2Other Jurisdictions. Nothing herein shall limit the right of Agent, U.K. Security Trustee or any Lender to bring proceedings against any Obligor in any other court, nor limit the right of any party to serve process in any other manner permitted by

Applicable Law, including bringing proceedings in London, England against any U.K. Obligor to enforce their Obligations. Nothing in this Agreement shall be deemed to preclude enforcement by Agent of any judgement or order obtained in any forum or jurisdiction.

14.1.3Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties, each party hereto (including each Secured Party) acknowledges that, with respect to any Secured Party that is an EEA Financial Institution, any unsecured liability of such Secured Party arising under a Loan Document may be subject to the write-down and conversion powers of an EEA Resolution Authority, and each party hereto agrees and consents to, and acknowledges and agrees to be bound by, (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liability which may be payable to it by such Secured Party; and (b) the effects of any Bail-in Action on any such liability, including (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent, or a bridge institution that may be issued to the party or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under any Loan Document; or (iii) the variation of the terms of such liability in connection with the exercise of any Write-Down and Conversion Powers.

14.1 Waivers by Borrowers. To the fullest extent permitted by Applicable Law, each Borrower waives (a) the right to trial by jury (which Agent, Issuing Bank, Lenders and all other Secured Parties hereby also waive) in any proceeding or dispute of any kind relating in any way to any Loan Documents, Obligations or Collateral; (b) presentment, demand, protest, notice of presentment, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any commercial paper, accounts, documents, instruments, chattel paper and guaranties at any time held by Agent on which a Borrower may in any way be liable, and hereby ratifies anything Agent may do in this regard; (c) notice prior to taking possession or control of any Collateral; (d) any bond or security that might be required by a court prior to allowing Agent to exercise any rights or remedies; (e) the benefit of all valuation, appraisement and exemption laws; (f) any claim against an Indemnitee, on any theory of liability, for special, indirect, consequential, exemplary or punitive damages (as opposed to direct or actual damages) in any way relating to any Enforcement Action, Obligations, Loan Documents or transactions relating thereto; and (g) notice of acceptance hereof. Each Borrower acknowledges that the foregoing waivers are a material inducement to Agent, Issuing Bank and Lenders entering into this Agreement and that they are relying upon the foregoing in their dealings with Borrowers. Each Borrower has reviewed the foregoing waivers with its legal counsel and has knowingly and voluntarily waived its jury trial and other rights following consultation with legal counsel. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

14.2 Patriot Act Notice. Agent and Lenders hereby notify Borrowers that pursuant to the Patriot Act, Agent and Lenders are required to obtain, verify and record information that identifies each Borrower, including its legal name, address, tax ID number and other information

that will allow Agent and Lenders to identify it in accordance with the Patriot Act. Agent and Lenders will also require information regarding any personal guarantor and may require information regarding Borrowers' management and owners, such as legal name, address, social security number and date of birth. Borrowers shall, promptly upon request, provide all documentation and other information as Agent, Issuing Bank or any Lender may request from time to time in order to comply with any obligations under any "know your customer," anti-money laundering or other requirements of Applicable Law.

14.3 UK "Know your customer" checks. (a) If (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement; (ii) any change in the status of a UK Obligor after the date of this Agreement; or (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer, obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each UK Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents; and (b) Each Lender shall promptly upon the request of the supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents.

14.4 NO ORAL AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

[Remainder of page intentionally left blank; signatures begin on following page]

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date set forth above.

PARENT:

PROMETHEAN WORLD LIMITED,

By: /s/ Ian Curtis

Title: Director Address: Promethean House, Lower Philips Road, Blackburn, UK BB1 5TH

BORROWERS:

PROMETHEAN INC., a Delaware corporation By: /s/ Allyson Krause

Title: Vice President
Address: 801 2nd Avenue, Suite 1310, Seattle, WA 98104

PROMETHEAN LIMITED

By: /s/ Ian Curtis

Title: Director Address: Promethean House, Lower Philips Road, Blackburn, UK BB1 5TH

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date set forth above.

AGENT AND LENDERS:

BANK OF AMERICA, N.A.,
as Agent and Lender

By: /s/ Gregory A. Jones
Name :Gregory A. Jones
Title: Senior Vice President Address:
400 4th Street
Lake Oswego, OR 97034
Attn: Promethean Asset Based Portfolio Specialist
Telecopy: 9503) 303-6076

London Branch:
2 King Edward Street London ECIA IHQ DTTP Scheme
Details: 13/8/7418/DTTP
Bank of America National Association USA

EXHIBIT A
to
Loan and Security Agreement

ASSIGNMENT AND ACCEPTANCE

Reference is made to the Loan and Security Agreement dated as of dated as of June 25, 2018, among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.", and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders. Terms are used herein as defined in the Loan Agreement.

_____("Assignor") and __ __ ("Assignee") agree as follows:

1. Assignor hereby assigns to Assignee and Assignee hereby purchases and assumes from Assignor (a) a principal amount of $__ of Assignor's outstanding Revolver Loans and $__ of Assignor's participations in LC Obligations, and (b) the amount of
$__ of Assignor's Revolver Commitment (which represents % of the total Revolver Commitments) (the foregoing items being, collectively, "Assigned Interest"), together with an interest in the Loan Documents corresponding to the Assigned Interest. This Agreement shall be effective as of the date ("Effective Date") indicated in the corresponding Assignment Notice delivered to Agent, provided such Assignment Notice is executed by Assignor, Assignee, Agent and Borrower Agent, if applicable. From and after the Effective Date, Assignee hereby expressly assumes, and undertakes to perform, all of Assignor's obligations in respect of the Assigned Interest, and all principal, interest, fees and other amounts which would otherwise be payable to or for Assignor's account in respect of the Assigned Interest shall be payable to or for Assignee's account, to the extent such amounts accrue on or after the Effective Date.

2. Assignor (a) represents that as of the date hereof, prior to giving effect to this assignment, its Revolver Commitment is $__, the outstanding balance of its Revolver Loans and participations in LC Obligations is $_____; (b) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other instrument or document furnished pursuant thereto, other than that Assignor is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; and (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrowers or the performance by Borrowers of their obligations under the Loan Documents. *[Assignor is attaching the promissory note[s] held by it and requests that Agent exchange such note[s] for new promissory notes payable to Assignee [and Assignor].]*

3. Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment; (b) confirms that it has received copies of the Loan Agreement and such other Loan Documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment; (c) agrees that it shall, independently and without reliance upon Assignor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (d) confirms that it is an Eligible Assignee; (e) appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Agent by the terms thereof, together with such powers as are incidental thereto; (f) agrees that it will observe and perform all obligations that are required to be performed by it as a "Lender" under the Loan Documents; and (g) represents and warrants that the assignment evidenced hereby will not result in a non-exempt "prohibited transaction" under Section 406 of ERISA.

4. Where this Assignment concerns, in full or in part, any advance or participation in respect of a Revolver Commitment or Revolver Loan made to a Relevant Obligor (as defined in **Section 5.12**), the Assignee must confirm or delete the following (as appropriate):

(i) The Assignee confirms, for the benefit of Agent and without any liability to any Relevant Obligor that it is [a U.K. Qualifying Lender (other than a Treaty Lender)] / [a Treaty Lender] / [not a U.K. Qualifying Lender].[1]

(ii) [The Assignee confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance made to a Relevant Obligor is either (a) a company resident in the U.K. for U.K. tax purposes, (b) a partnership each member of which is (A) a company so resident in the U.K., or (B) a company not so resident in the U.K. which carries on a trade in the
U.K. through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA, or (c) a company not so resident in the U.K. which carries on a trade in the U.K. through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.][2]

(iii) [The Assignee confirms that it holds a passport under the HMRC DT Treaty Passport scheme (reference number [●]) and it is tax resident in [●][3], so that interest payable to it

1 Delete as applicable – each assignee is required to confirm which of these three categories it falls within.

2 Include only if assignee is a non-bank Lender – i.e. falls within paragraph (i)(B) of the definition of U.K. Qualifying Lender.

3 Insert jurisdiction of tax residence.

by borrowers is generally subject to full exemption from U.K. withholding tax, and requests that Agent notify the Relevant Obligors that it wishes that scheme to apply to the Agreement.][4]"

5. This Agreement shall be governed by the laws of the State of ___.If any provision is found to be invalid under Applicable Law, it shall be ineffective only to the extent of such invalidity and the remaining provisions of this Agreement shall remain in full force and effect.

6. Each notice or other communication hereunder shall be in writing, shall be sent by messenger, by telecopy or facsimile transmission, or by first-class mail, shall be deemed given when sent and shall be sent as follows:

(a) If to Assignee, to the following address (or to such other address as Assignee may designate from time to time):

(b) If to Assignor, to the following address (or to such other address as Assignor may designate from time to time):

Payments hereunder shall be made by wire transfer of immediately available funds as follows:

If to Assignee, to the following account (or to such other account as Assignee may designate from time to time):

ABA No.__

Account No.__ Reference: ____

4 Include if Assignee holds a passport under the HMRC DT Treaty Passport scheme and wishes that scheme to apply to the Agreement.

If to Assignor, to the following account (or to such other account as Assignor may designate from time to time):

_____

_____ ABA No.__

Account No.__ Reference: ____

IN WITNESS WHEREOF, this Assignment is executed as of __.

_____

("Assignee")

By__ Title:

_____

("Assignor")

By__ Title:

EXHIBIT B
to
Loan and Security Agreement

ASSIGNMENT NOTICE

Reference is made to (1) the Loan and Security Agreement dated as of June 25, 2018, among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.", and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders; and (2) the Assignment and Acceptance dated as of __, 20__ ("Assignment"), between __ ("Assignor") and __ ("Assignee"). Terms are used herein as defined in the Loan Agreement.

Assignor hereby notifies Borrowers and Agent of Assignor's intent to assign to Assignee pursuant to the Assignment (a) a principal amount of $__ of Assignor's outstanding Revolver Loans and $____ of Assignor's participations in LC Obligations, and (b) the amount of $___ of Assignor's Revolver Commitment (which represents % of the total Revolver Commitments) (the foregoing items being, collectively, the "Assigned Interest"), together with an interest in the Loan Documents corresponding to the Assigned Interest. This Agreement shall be effective as of the date ("Effective Date") indicated below, provided this Assignment Notice is executed by Assignor, Assignee, Agent and Borrower Agent, if applicable. Pursuant to the Assignment, Assignee has expressly assumed all of Assignor's obligations under the Loan Agreement to the extent of the Assigned Interest, as of the Effective Date.

For purposes of the Loan Agreement, Agent shall deem Assignor's Revolver Commitment to be reduced by $__, and Assignee's Revolver Commitment to be increased by $__.

The address of Assignee to which notices and information are to be sent under the terms of the Loan Agreement is:

_____

The address of Assignee to which payments are to be sent under the terms of the Loan Agreement is shown in the Assignment.

This Notice is being delivered to Borrowers and Agent pursuant to **Section 13.3** of the Loan Agreement. Please acknowledge your acceptance of this Notice by executing and returning to Assignee and Assignor a copy of this Notice.

IN WITNESS WHEREOF, this Assignment Notice is executed as of __.

_____

("Assignee")

By__ Title:

_____

("Assignor")

By__ Title:

ACKNOWLEDGED AND AGREED,
AS OF THE DATE SET FORTH ABOVE:

BORROWER AGENT:*

_____

By__ Title:

* No signature required if Assignee is a Lender, Affiliate of a Lender or Approved Fund, or if an Event of Default exists.

BANK OF AMERICA, N.A.,
as Agent

By__ Title:

SCHEDULE 1.1
to
Loan and Security Agreement

REVOLVER COMMITMENTS OF LENDERS

Lender	Revolver Commitment
Bank of America, N.A. and its Lending Offices[5]	$35,000,000

[5] Revolver Loans made to Promethean U.K. will be recorded on the books and records of Bank of America (acting through its London branch) and Revolver Loans made to Promethean U.S. will be recorded on the books and records of Bank of America in the United States. Bank of America in the United States has a UK double tax treaty passport and wishes it to apply to any advance it makes under this loan.

Exhibit 4.9

Execution Version

FIRST AMENDMENT AND LIMITED CONSENT TO LOAN AND SECURITY AGREEMENT

This FIRST AMENDMENT AND LIMITED CONSENT TO LOAN AND SECURITY AGREEMENT (this "Amendment") is dated as of August L, 2018, and is entered into by and among PROMETHEAN WORLD LIMITED, a company incorporated in England and Wales with company number 07118000 ("Parent"), PROMETHEAN INC., a Delaware corporation ("Promethean U.S."), PROMETHEAN LIMITED, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.", and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and BANK OF AMERICA, N.A., a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. WHEREAS, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. WHEREAS, the Obligors have requested that Lenders and Agent consent to Promethean U.K. make a one-time Subordinated Debt to Netdragon and certain of its subsidiaries in the aggregate amount not to exceed $2,000,000 (the "2018 Subordinated Debt Payment"). The 2018 Subordinated Debt Payment is prohibited under Sections 10.2. I and 10.2.8 of the Loan Agreement and the Intercompany Subordination Agreement dated as of June 25, 2018 and the making thereof without the consent of Agent and Lenders would constitute an Event of Default under Section I l . I (c) of the Loan Agreement and Section 4 of the Intercompany Subordination Agreement; and

C. WHEREAS, the Obligors have requested that the Agent and Lenders consent to the 2018 Subordinated Debt Payment and amend the Loan Agreement in certain respects which Agent and Lenders are willing to do on the terms and subject to the conditions contained in this Amendment.

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 102 Recitals. The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE 11

AMENDMENTS TO LOAN AGREEMENT

Section 2.1 New Definitions. The following new definitions are hereby added to Section 1.1 of the Loan Agreement in alphabetical order to read in its entirety as follows:

"First Amendment: means that certain First Amendment and Limited Consent to Loan and Security Agreement dated as of August 2018, by and among the Parent, Borrowers, Lenders and Agent."

"2018 Subordinated Debt Payment Reserve: a reserve equal to the aggregate amount of $4,000,000, which reserve shall equal $0 upon the Accounts owed by Thiemstone Limited have been paid in full."

Section 2.1 Amendment to the Definition of "Availability Reserve" in Section 1.1 of the Loan Agreement. The definition of "Availability Reserve" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"Availability Reserve: the sum (without duplication) of (a) the Rent and Charges Reserve; (b) the Bank Product Reserve; (c) the aggregate amount of liabilities secured by Liens upon Collateral that are or may be senior to Agent's Liens (but imposition of any such reserve shall not waive an Event of Default arising therefrom); (d) the Dilution Reserve; (e) the U.K. Priority Payables Reserve; (f) the 2018 Subordinated Debt Payment Reserve and (g) such additional reserves, in such amounts and with respect to such matters, as Agent in its Permitted Discretion may elect to impose from time to time."

Section 2.2 Amendment to the Definition of "Borrowing Base" in Section I .1 of the Loan Agreement. The definition of "Borrowing Base" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the aggregate Revolver Commitments minus the 2018 Subordinated Debt Payment Reserve, or (b) the sum of the U.K. Borrowing Base, plus the U.S. Borrowing Base."

Section 2.3 Amendment to the Definition of "U.K. Borrowing Base" in Section 1.1 of the Loan Agreement. The definition of "U.K. Borrowing Base" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"U.K. Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the U.K. Sublimit minus the U.K. Priority Payables Reserve minus the 2018 Subordinated Debt Payment Reserve, or (b) the sum of the U.K. Accounts Formula Amount, minus the Availability Reserve allocated by Agent to Promethean U.K."

ARTICLE 111

LIMITED CONSENT OF 2018 SUBORDINATED DEBT PAYMENT

Limited Consent to 2018 Subordinated Debt Payment. Before giving effect to this Amendment, the 2018 Subordinated Debt Payment is prohibited under the terms and conditions of

the Loan Agreement and the other Loan Documents. Subject to the terms and conditions hereof, the Agent hereby consents to the 2018 Subordinated Debt Payment subject to the following conditions:

(a) Amount of 2018 Subordinated Debt Payment. The amount of the 2018 Subordinated Debt Payment shall not exceed $2,000,000 in the aggregate, which amount shall be applied in full to the outstanding principal amount of the Subordinated Debt (including interest and fees accrued thereon) designated for prepayment.

(b) No Default or Event of Default. Immediately prior to and after giving effect to the 2018 Subordinated Debt Payment, no Default or Event of Default shall have occurred and is continuing or would result therefrom.

(c) Timing of 2018 Subordinated Debt Payment. The 2018 Subordinated Debt Payment and all transactions related thereto shall have been completed as soon as practicable and in any event, no later than August 10, 2018.

ARTICLE IV

CONDITIONS PRECEDENT

This Amendment shall not be binding until each of the following conditions precedent has been satisfied in form and substance satisfactory to the Agent:

(a) The representations and warranties contained herein and in the Loan Agreement, as amended hereby, shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date;

(b) No Default or Event of Default shall have occurred and be continuing;

(c) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment; and

(d) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including reasonable attorneys' fees and costs).

ARTICLE V

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 5.1 Acknowledgment of the Obligors. The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; and (c) when executed and delivered by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 5.2 Representations and Warranties. The Obligors represent and warrant that, after giving effect to this Amendment, each of the representations and warranties made by the Parent and each Borrower in Section 9 of the Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in which case such representation or warranty is true and correct in

all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date.

Section 5.3 Loan Documents Unmodified. Except as otherwise specifically modified by this Amendment, all terms and provisions of the Loan Agreement and all other Loan Documents, as modified hereby, shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Documents, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. Subject to the terms of this Amendment, any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations.

Section 5.4 Event of Default. A breach of this Amendment shall be an Event of Default.

Section 5.5 Parties, Successors and Assigns. This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 5.6 Counterparts. This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 5.7 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 5.8 Expenses of Agent, Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent's legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent's legal counsel.

Section 5.9 Choice of Law: Jury Trial Waiver. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF SECTIONS 14.15 AND 14.16 OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 5.10 Release.

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS

AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

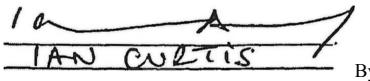
EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS

Section 5.11 Total Agreement. This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof, and shall not be changed or terminated orally.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as Of the day and year first written above.

PARENT: PROMET1nAN WORLD LIMITED



By:
Name:
Title: Director

BORROWERS

PROMETHEAN INC.

By:
Name: Lee Chee
Title: CFO

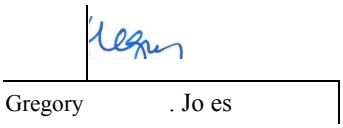
PROMETHEAN LIMITED

By:
Name: IAN CURTIS

Title: Dixector

AGENT AND LENDERS:

BANK OF AMERICA, N.A., as Agent and Lender



Gregory . Jo es

By:
Name:
Title: Senior Vice President

ACKNOWLEDGMENT AND CONSENT BY GUARANTORS

Each of the undersigned (each, a "Guarantor") consents to the foregoing Amendment to Loan Agreement and other Loan Documents ("Amendment") and the transactions contemplated thereby and reaffirms its obligations under the Loan Documents to which it is a party, including but not limited to that certain Continuing and Unconditional Guaranty dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of June 25, 2018, and that certain Pledge Agreement dated as of June 25, 201 8, as such documents may be amended, modified, supplemented or replaced from time to time.

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Loan Documents are separate and distinct from the Borrowers' obligations and reaffirms its waivers of each and every one of the possible defenses to such obligations. [Signature Page Follows]

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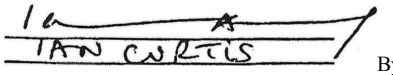
Agreed and Acknowledged: PROMETHEAN WORLD LIMITED



By:

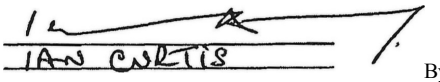
Name:
Title: Director

PROMETHEAN (HOLDNGS) LIMITED

By:

Name:
Title: Director

CHALIGREE LMITED



By:

Name:

Title: Director

ACKNOWLEDGMENT AND corqsEr•rr TO

Exhibit 4.10

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT

This **SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "Amendment") is dated as of May 24, 2019, and is entered into by and among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.", and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. **WHEREAS**, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. **WHEREAS**, the Obligors have requested that the Agent and Lenders amend the Loan Agreement in certain respects which Agent and Lenders are willing to do on the terms and subject to the conditions contained in this Amendment.

NOW, **THEREFORE**, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 1.2 Recitals. The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.1 New Definitions. The following new definitions are hereby added to Section 1.1 of the Loan Agreement in alphabetical order to read in its entirety as follows:

> "Eligible In-Transit Inventory: Inventory owned by Promethean U.S. that would be Eligible Inventory if it were not subject to a document of title and in transit from a foreign location to a location of Promethean U.S. within the United States, and that Agent, in its discretion, deems to be Eligible In-

Transit Inventory. Without limiting the foregoing, no Inventory shall be

Eligible In-Transit Inventory unless it (a) is subject to a negotiable document of title showing Agent (or, with the consent of Agent, the applicable Borrower) as consignee, which document of title is in the possession of Agent or such other Person as Agent shall approve; (b) is fully insured in a manner satisfactory to Agent; (c) is not sold by a vendor that has a right to reclaim, divert shipment of, repossess, stop delivery, claim any reservation of title or otherwise assert Lien rights against the Inventory, or with respect to whom Promethean U.S. is in default of any obligations; (d) is subject to purchase orders and other sale documentation satisfactory to Agent, and title has passed to Promethean U.S.; (e) is shipped by a common carrier that is independent of the vendor and is not the target of any Sanction or on any specially designated nationals list maintained by OFAC; and (f) is being handled by a customs broker, freight-forwarder or other handler that has delivered a Lien Waiver."

"Eligible Inventory: Inventory owned by Promethean U.S. that Agent, in its discretion, deems to be Eligible Inventory. Without limiting the foregoing, no Inventory shall be Eligible Inventory unless it (a) is finished goods or raw materials, and not work-in-process, packaging or shipping materials, labels, samples, display items, bags, replacement parts or manufacturing supplies; (b) is not held on consignment, nor subject to any deposit or down payment; (c) is in new or saleable condition and is not materially damaged, defective, shopworn or otherwise unfit for sale; (d) is not slow-moving, perishable, obsolete or unmerchantable, and does not constitute returned defective goods; (e) meets all standards imposed by any Governmental Authority, has not been acquired from a Person that is the target of any Sanction or on any specially designated nationals list maintained by OFAC, and does not constitute hazardous materials under any Environmental Law; (f) conforms with the covenants and representations herein; (g) is subject to Agent's duly perfected, first priority Lien, and no other Lien; (h) is within the continental United States or Canada, is not in transit except between locations of Borrowers, and is not consigned to any Person; (i) is not subject to any negotiable warehouse receipt or negotiable document of title; (j) is not subject to any License or other arrangement that restricts such Borrower's or Agent's right to dispose of such Inventory, unless Agent has received an appropriate Lien Waiver; (k) is not located on leased premises or in the possession of a warehouseman, processor, repairman, mechanic, shipper, freight forwarder or other Person, unless the lessor or such Person has delivered a Lien Waiver or an appropriate Rent and Charges Reserve has been established; and (l) is reflected in the details of a current perpetual inventory report."

"Inventory Reserve: reserves established by Agent to reflect factors that may negatively impact the Value of Inventory, including change in salability, obsolescence, seasonality, theft, shrinkage, imbalance, change in composition or mix, markdowns and vendor chargebacks."

"NOLV Percentage: the net orderly liquidation value of Inventory, expressed as a percentage, expected to be realized at an orderly, negotiated sale held within a reasonable period of time, net of all liquidation expenses, as determined from the most recent appraisal of the applicable Borrower's Inventory performed by an appraiser and on terms satisfactory to Agent."

"Second Amendment: means that certain Second Amendment to Loan and Security Agreement dated as of May 24, 2019, by and among the Parent, Borrowers, Lenders and Agent."

"U.S. Inventory Formula Amount: the lesser of (a) $15,000,000 and (b) the sum of (i) the lesser of (x) 65% of the Value of Eligible Inventory of Promethean U.S.; or (y) 85% of the NOLV Percentage of the Value of Eligible Inventory of Promethean U.S.; plus (ii) the lesser of (x) 65% of the
Value of Eligible In-Transit Inventory of Promethean U.S. or (y) 85% of the NOLV Percentage of the Value of Eligible In-Transit Inventory of Promethean U.S.; provided, however, no Inventory shall be included in the above calculation until completion of the applicable appraisals satisfactory to Agent.

Section 2.1 Amendment to the Definition of "Availability Reserve" in Section 1.1 of the Loan Agreement. The definition of "Availability Reserve" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"Availability Reserve: the sum (without duplication) of (a) the Rent and Charges Reserve; (b) the Bank Product Reserve; (c) the aggregate amount of liabilities secured by Liens upon Collateral that are or may be senior to Agent's Liens (but imposition of any such reserve shall not waive an Event of
Default arising therefrom); (d) the Dilution Reserve; (e) the U.K. Priority
Payables Reserve; (f) the 2018 Subordinated Debt Payment Reserve; (g) the Inventory Reserve and (h) such additional reserves, in such amounts and with respect to such matters, as Agent in its Permitted Discretion may elect to impose from time to time."

Section 2.2 Amendment to the Definition of "Eligible Account" in Section 1.1 of the Loan Agreement. Clause (c) of the definition of "Eligible Account" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

(c) when aggregated with other Accounts owing by the Account Debtor and its Affiliates to a Borrower, it exceeds 15% of the aggregate Eligible Accounts of such Borrower; provided, that such percentage with respect to Accounts owed to Promethean U.S. by CDW Corporation and its Affiliates shall be 60% of the aggregate Eligible Accounts of Promethean U.S. and with respect to Accounts owed to Promethean U.K. by Tech Data and its Affiliates shall be 75% of the aggregate Eligible Accounts of Promethean U.K., or, in all instances, such other percentage as Agent may establish for any Account Debtor from time to time;

Section 2.3 Amendment to the Definition of "Payment Conditions" in Section 1.1 of the Loan Agreement. The definition of "Payment Conditions" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

> "Payment Conditions: with respect to any investments, Distributions,
>
> payment of Debt, (i) both before and after giving effect to any such transaction and giving pro forma effect to the applicable transaction, no Default or Event of Default has occurred and is continuing or would arise as a result of the applicable transaction, (ii) after giving pro forma effect to the applicable transaction Availability shall not be less than the greater of $10,000,000 and 15% of the Borrowing Base then in effect for each of the 30 days immediately prior to the consummation of such transaction and immediately after giving effect thereto (provided, that for the purposes of clause (ii) hereunder, until completion of an appraisal of the Inventory of Promethean U.S., with results satisfactory to Agent, after giving pro forma effect to the applicable transaction Availability shall not be less than the greater of $5,000,000 and 15% of the Borrowing Base then in effect immediately before and after giving effect thereto), and (iii) the Fixed Charge Coverage Ratio as of the most recent four (4) Fiscal Quarter period ended for which financial statements pursuant to Section 10.1.2 were required to have been delivered shall not be less than 1.00:1.00."

Section 2.4 Amendment to the Definition of "U.S. Borrowing Base" in Section 1.1 of the Loan Agreement. The definition of "U.S. Borrowing Base" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

> "U.S. Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the U.S. Sublimit; or (b) the sum of the U.S. Accounts Formula Amount plus the U.S. Inventory Formula Amount, minus the Availability Reserve allocated by Agent to Promethean U.S."

Section 2.5 Amendment to the Definition of "Value" in Section 1.1 of the Loan Agreement. The definition of "Value" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

> "Value: (a) for Inventory, its value determined on the basis of the lower of cost or market, calculated on a first-in, first out basis, and excluding any portion of cost attributable to intercompany profit among Borrowers and their Affiliates; and (b) for an Account, its face amount, (i) net of any returns, rebates, discounts (calculated on the shortest terms), credits, allowances or Taxes (including sales, excise or other taxes) that have been or could be claimed by the Account Debtor or any other Person and (ii) with respect to Accounts supported by credit insurance, up to the coverage amount net of copays and deductibles."

Section 2.6 Amendment to Section 5.2 of the Loan Agreement. Section 5.2 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"**5.2 Repayment of Revolver Loans.** Revolver Loans shall be due and payable in full on the Revolver Termination Date, unless payment is sooner required hereunder. Revolver Loans may be prepaid from time to time, without penalty or premium. Subject to **Section 2.1.5**, if an Overadvance exists at any time, Borrowers shall, on the sooner of Agent's demand or the first Business Day after any Borrower has knowledge thereof, repay Revolver Loans in an amount sufficient to reduce Revolver Usage to the Borrowing Base. If any Asset Disposition includes the disposition of Accounts or Inventory, Borrowers shall apply Net Proceeds to repay Revolver Loans equal to the greater of (a) the net book value of such Accounts and Inventory, or (b) the reduction in Borrowing Base resulting from the disposition."

Section 2.7 Amendment to Section 8.3.1 of the Loan Agreement. Section 8.3.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"8.3.1 Records and Reports of Inventory. Each Borrower shall keep accurate and complete records of its Inventory, including costs and daily withdrawals and additions, and shall submit to Agent inventory and reconciliation reports in form satisfactory to Agent, on such periodic basis as Agent may request. Each Borrower shall conduct a physical inventory at least once per calendar year (and on a more frequent basis if requested by Agent when an Event of Default exists) and periodic cycle counts consistent with historical practices, and shall provide to Agent a report based on each such inventory and count promptly upon completion thereof, together with such supporting information as Agent may reasonably request. Agent may participate in and observe each physical count.

Section 2.8 Amendment to Section 8.3.2 of the Loan Agreement. Section 8.3.2 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"8.3.2 Returns of Inventory. No Borrower shall return any Inventory to a supplier, vendor or other Person, whether for cash, credit or otherwise, unless (a) such return is in the Ordinary Course of Business; (b) no Default, Event of Default or Overadvance exists or would result therefrom; (c) Agent is promptly notified if the aggregate Value of all Inventory returned in any month exceeds $500,000; and (d) any payment received by a Borrower for a return is promptly remitted to Agent for application to the Obligations.

Section 2.9 Amendment to Section 10.1.1(b) of the Loan Agreement. Section 10.1.1(b) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"(b) Reimburse Agent for all its charges, costs and expenses in connection with (i) examinations of Obligors' books and records or any other financial or Collateral matters as it deems appropriate, up to once per Loan Year and up to two times per Loan Year if in the 12 months prior to the commencement of such examination, a Reporting Trigger Period existed and (ii) appraisals of Inventory, up to once per Loan Year and up to two times per Loan Year if in the 12 months prior to the commencement of such examination, a Reporting Trigger Period existed; provided, that if an examination or appraisal is initiated during a Default or Event of Default, all charges, costs and expenses

relating thereto shall be reimbursed by Borrowers without regard to such limits. Borrowers shall pay Agent's then standard charges for examination activities, including charges for its internal examination and appraisal groups, as well as the charges of any third party used for such purposes. No Borrowing Base calculation shall include Collateral acquired in a Permitted Acquisition or otherwise outside the Ordinary Course of Business until completion of applicable field examinations and appraisals (which shall not be included in the limits provided above) satisfactory to Agent."

ARTICLE III

REPORTING TRIGGER PERIOD

Pursuant to Section 8.1 of the Loan Agreement, Borrowers are required to deliver to Agent (and Agent shall promptly deliver the same to Lenders) a Borrowing Base Report (i) by the 15th day of each month, prepared as of the close of business of the previous month, and (ii) at any time during a Reporting Trigger Period, the third Business Day of each week, prepared as of the close of business of the previous week, and (iii) at such other times as Agent may request. A Reporting Trigger Period is the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than $6,000,000 or 15% of the aggregate Revolver Commitments for 5 consecutive days; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than $6,000,000 and 15% of the aggregate Revolver Commitments. For any month preceding the date of this Second Amendment and continuing until such time as Inventory is added to and included in the U.S. Borrowing Base by Agent, Agent hereby waives implementation of the Reporting Trigger Period. The foregoing is a one-time waiver and applies only to the specified circumstance and does not modify or otherwise affect the Borrowers' obligations to comply with any provision under the Loan Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

This Amendment shall not be binding until each of the following conditions precedent has been satisfied in form and substance satisfactory to the Agent:

(a) The representations and warranties contained herein and in the Loan Agreement, as amended hereby, shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date;

(b) No Default or Event of Default shall have occurred and be continuing;

(c) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment; and

(d) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including reasonable attorneys' fees and costs).

ARTICLE V

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 5.1 Acknowledgment of the Obligors. The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; and (c) when executed and delivered by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 5.2 Representations and Warranties. The Obligors represent and warrant that, after giving effect to this Amendment, each of the representations and warranties made by the Parent and each Borrower in Section 9 of the Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date.

Section 5.3 Loan Documents Unmodified. Except as otherwise specifically modified by this Amendment, all terms and provisions of the Loan Agreement and all other Loan Documents, as modified hereby, shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Documents, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. Subject to the terms of this Amendment, any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations.

Section 5.4 Event of Default. A breach of this Amendment shall be an Event of Default.

Section 5.5 Parties, Successors and Assigns. This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 5.6 Counterparts. This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 5.7 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 5.8 Expenses of Agent. Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent's

legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent's legal counsel.

Section 5.9 Choice of Law; Jury Trial Waiver. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF SECTIONS 14.15 AND 14.16 OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 5.10 Release.

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS

Section 5.11 Total Agreement. This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof, and shall not be changed or terminated orally.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

PARENT: **PROMETHEAN WORLD LIMITED**

By: /s/ Ian Curtis Name: Ian Curtis
Title: Director

BORROWERS: **PROMETHEAN INC.**

By: /s/ Sue Choe Name: Sue Choe
Title: CFO

PROMETHEAN LIMITED

By: /s/ Ian Curtis
Name: Ian Curtis
Title: Director

THIRD AMENDMENT TO LOAN AND SECURITY AGREEMENT

This **THIRD AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "Amendment") is dated as of December 20, 2021, and is entered into by and among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.," and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. **WHEREAS**, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. **WHEREAS**, (a) the Obligors have requested that the Agent and Lenders amend the Loan Agreement in certain respects and (b) certain Loans and/or extensions of credit incur or are permitted under the Credit Agreement to incur interest, fees or other amounts based on the London Interbank Offered Rate ("LIBOR") as administered by the ICE Benchmark Administration; and

C. **WHEREAS**, the (a) Agent and Lenders are willing to amend the Loan Agreement in certain respects and (b) parties hereto have determined that LIBOR should be replaced with a successor rate in accordance with the Credit Agreement and, in connection therewith, Agent has determined that certain conforming changes are necessary or advisable, each on the terms and subject to the conditions contained in this Amendment.

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 1.2 Recitals. The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.1 Amended Definitions. The following definitions in Section 1.1 of the Loan Agreement are hereby amended and restated in their entirety to read as follows:

> "Payment Conditions: with respect to any investments, Distributions, payment of Debt, (i) both before and after giving effect to any such transaction and giving pro forma effect to the applicable transaction, no Default or Event of Default has occurred and is continuing or would arise as a result of the applicable transaction, (ii) after giving pro forma effect to the applicable transaction Availability shall not be less than the greater of $12,000,000 and 15% of the Borrowing Base then in effect for each of the 30 days immediately prior to the consummation of such transaction and immediately after giving effect thereto and (iii) the Fixed Charge Coverage Ratio as of the most recent four (4) Fiscal Quarter period ended for which financial statements pursuant to Section 10.1.2 were required to have been delivered shall not be less than 1.00:1.00."
>
> "Revolver Termination Date: March 31, 2022."
>
> "Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than $6,500,000 or 10% of the aggregate Revolver Commitments; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than $6,500,000 and 10% of the aggregate Revolver Commitments."
>
> "U.K. Sublimit: $5,000,000, subject to Reallocation under **Section 2.2**."
>
> "U.S. Sublimit: $45,000,000, subject to Reallocation under **Section 2.2**."

Section 2.2 Amendment to Section 2.1.7 of the Loan Agreement. Section 2.1.7 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

> "2.1.7 Reserved."

Section 2.1 Amendment to Schedule 1.1 of the Loan Agreement. Schedule 1.1 of the Loan Agreement is hereby deleted and replaced with Schedule 1.1 attached hereto as Appendix A.

Section 2.2 Additional Amendments Pursuant to Appendix B. Notwithstanding any provision of any Loan Document to the contrary, the parties agree that the terms set forth on Appendix B shall apply to the credit facility contemplated by the Loan Agreement. For the avoidance of doubt, to the extent provisions in the Loan Agreement apply to Loans and other extensions of credit under the credit facility, and such provisions are not specifically addressed by Appendix B, the Loan Agreement provisions shall continue to apply.

ARTICLE III

CONDITIONS PRECEDENT AND POST CLOSING DELIVERABLES

This Amendment shall not be binding until each of the following conditions precedent has been satisfied in form and substance satisfactory to the Agent:

Section 3.1 Conditions Precedent. The parties hereto agree that the amendments set forth herein shall not be effective until the satisfaction of each of the following conditions precedent (such date shall be referred to as the "Third Amendment Effectiveness Date"):

(a) The representations and warranties contained herein and in the Loan Agreement, as amended hereby, shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date;

(b) No Default or Event of Default shall have occurred and be continuing;

(c) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment; and

(d) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including reasonable attorneys' fees and costs).

Section 3.2 Post-Closing Conditions. Within no later than fourteen (14) Business Days after the Third Amendment Effectiveness Date (or such longer period as agreed to by the Agent), the Obligors have delivered to the Agent a certificate from a duly authorized officer of each Obligor, dated as of the date hereof, certifying: (i) either that the Obligors' Organic Documents have not been amended since the Closing Date, and are in full force and effect or that the attached copies of such Obligor's Organic Documents are true and complete, and in full force and effect, without amendment except as shown, as applicable; (ii) either, to the title, name and signature of each Person authorized to sign this Amendment and the other Loan Documents or that no changes have been made since the Closing Date; and (iii) an attached copy of resolutions authorizing execution, delivery, and performance of this Amendment and the other Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this credit facility

ARTICLE IV

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 4.1 Acknowledgment of the Obligors. The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; (c) do not conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Obligor is a party or affecting it, or the properties of such Obligor or any subsidiary thereof, or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Obligor or any subsidiary thereof or its property is subject; and (c) when executed and delivered by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in

accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 4.2 Representations and Warranties. The Obligors represent and warrant that, after giving effect to this Amendment, each of the representations and warranties made by the Parent and each Borrower in Section 9 of the Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date.

Section 4.3 Loan Documents Unmodified. Except as otherwise specifically modified by this Amendment, all terms and provisions of the Loan Agreement and all other Loan Documents, as modified hereby, shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Documents, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. Subject to the terms of this Amendment, any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations.

Section 4.4 Event of Default. A breach of this Amendment shall be an Event of Default.

Section 4.5 Parties, Successors and Assigns. This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 4.6 Counterparts. This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 4.7 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 4.8 Expenses of Agent. Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent's legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent's legal counsel.

Section 4.9 Choice of Law; Jury Trial Waiver. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE

PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF SECTIONS 14.15 AND 14.16 OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 4.10 Release.

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM
THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS

Section 4.11 Total Agreement. This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof, and shall not be changed or terminated orally.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of

the day and year first written above.

PARENT:

BORROWERS:

PROMETHEAN WORLD LIMITED

DocuSigned by:
Allyson Krause
D4654F075DCA495...

By:
Name: Allyson Krause Title: Director Dec 20, 2021 | 9:33 AM PST

PROMETHEAN INC.

DocuSigned by:
Sue Choe
3A8B486E9AFE445...

By:
Name: Sue Choe
Title: Chief Financial Officer

PROMETHEAN LIMITED

DocuSigned by:
Allyson Krause
D4654F075DCA495...

By:
Name: Allyson Krause Title: Director
Dec 20, 2021 | 9:33 AM PST

AGENT AND LENDERS:

BANK OF AMERICA, N.A.,
as Agent and Lender

By: Tyler Sims

Name: Tyler Sims

Title: Senior Vice President

ACKNOWLEDGMENT AND CONSENT BY GUARANTORS

Each of the undersigned (each, a "Guarantor") consents to the foregoing Amendment to Loan Agreement and other Loan Documents and the transactions contemplated thereby and reaffirms its obligations under the Loan Documents to which it is a party, including but not limited to that certain Continuing and Unconditional Guaranty dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of June 25, 2018, and that certain Pledge Agreement dated as of June 25, 2018, as such documents may be amended, modified, supplemented or replaced from time to time.

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Loan Documents are separate and distinct from the Borrowers' obligations and reaffirms its waivers of each and every one of the possible defenses to such obligations.

[*Signature Page Follows*]

Agreed and Acknowledged: **PROMETHEAN WORLD LIMITED**

By: DocuSigned by: Allyson Krause D4654F075DCA495...

Name: Allyson Krause
Title: Director
Dec 20, 2021 | 9:33 AM PST

PROMETHEAN (HOLDINGS) LIMITED

By: DocuSigned by: Allyson Krause D4654F075DCA495...

Name: Allyson Krause
Title: Director
Dec 20, 2021 | 9:33 AM PST

CHALKFREE LIMITED

By: DocuSigned by: Allyson Krause D4654F075DCA495...

Name: Allyson Krause
Title: Director

Appendix A
SCHEDULE 1.1
to
Loan and Security Agreement

REVOLVER COMMITMENTS OF LENDERS

Lender	Revolver Commitment
Bank of America, N.A. and its Lending Offices [1]	$50,000,000

[1] Revolver Loans made to Promethean U.K. will be recorded on the books and records of Bank of America (acting through its London branch) and Revolver Loans made to Promethean U.S. will be recorded on the books and records of Bank of America in the United States. Bank of America in the United States has a UK double tax treaty passport and wishes it to apply to any advance it makes under this loan.

Appendix B

Terms Applicable to BSBY, SONIA and EURIBOR Loans

1. Defined Terms. From and after the Third Amendment Effective Date, the following definitions are added to the Credit Agreement and, to the extent the terms are already defined in the Credit Agreement, they supersede the prior definitions:

Base Rate: for any day, a per annum rate equal to the greater of (a) the Prime Rate for such day; (b) the Federal Funds Rate for such day, plus 0.50%; or (c) the BSBY Rate for a one month interest period as of such day; provided, that in no event shall the Base Rate be less than zero.

Bloomberg: Bloomberg Index Services Limited.

BSBY Loan: a Revolving Loan that bears interest at a rate based on clause (a) of the definition of BSBY Rate. BSBY Loans shall be denominated in Dollars.

BSBY Rate: (a) for any Interest Period for a BSBY Loan, a per annum rate equal to the BSBY Screen Rate two Business Days prior to such Interest Period, with a term equivalent to such period (or if such rate is not published on the determination date, the applicable BSBY Screen Rate on the Business Day immediately preceding such date); and (b) for any interest calculation relating to a Base Rate Loan on any day, a per annum rate equal to the BSBY Screen Rate with a term of one month commencing that day; provided, that in no event shall the BSBY Rate be less than zero.

BSBY Screen Rate: the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by Agent from time to time).

Business Day: any day except a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, North Carolina or New York City (or, if such day relates to (a) any Revolver Loan denominated in Sterling, any day on which commercial banks are authorized to close under the laws of, or are in fact closed in, London; or (b) any Revolver Loan denominated in Euro, any day which is not a TARGET Day.

Conforming Changes: with respect to use, administration of or conventions associated with BSBY Rate, EURIBOR, SONIA or any proposed Successor Rate, as applicable, any conforming changes to the definition of Base Rate, BSBY Rate, EURIBOR, SONIA, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices, and length of lookback periods) as may be appropriate, in Agent's discretion, to reflect the adoption and implementation of such applicable rate, and to permit the administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as Agent determines is reasonably necessary in connection with the administration of any Loan Document).

Daily Simple SOFR: with respect to any applicable determination date, the secured overnight financing rate published on such date by FRBNY, as administrator of the benchmark (or a successor administrator), on FRBNY's website (or any successor source satisfactory to Agent).

EURIBOR: for any Interest Period for a EURIBOR Loan, a per annum rate equal to the Euro Interbank Offered Rate, as published on the applicable Reuters screen page (or other commercially available source designated by Lender from time to time) two TARGET Days prior to the Interest Period, with a term equivalent to such Interest Period; provided, that in no event shall EURIBOR be less than zero.

EURIBOR Loan: a Revolving Loan that bears interest based on EURIBOR.

Eurocurrency Rate: Eurocurrency Rate, LIBOR, Adjusted LIBOR Rate, LIBOR Rate or any similar or analogous definition in the Credit Agreement.

Eurocurrency Rate Loan: a Revolving Loan that bears interest based on the Eurocurrency Rate.

Foreign Base Rate: (a) with respect to Revolving Loans denominated in Euros, the sum of (i) EURIBOR for a 30-day interest period as in effect on the first day of the current calendar month, plus (ii) 1.00%; and (b) with respect to Revolving Loans denominated in Sterling, the sum of (i) SONIA for a 30 day interest period as in effect on the first day of the current calendar month, plus (ii) the SONIA Adjustment, plus (iii) 1.00%.

FRBNY: the Federal Reserve Bank of New York.

Notice of Borrowing: notice by Borrower Agent of a Borrowing, in form satisfactory to Agent.

Notice of Conversion/Continuation: notice by Borrower Agent for conversion or continuation of a Loan as a BSBY Loan, in form satisfactory to Agent.

Relevant Governmental Body: the Federal Reserve Board and/or FRBNY, or a committee officially endorsed or convened by the Federal Reserve Board and/or FRBNY.

Scheduled Unavailability Date: as defined in Section (g) below.

SOFR: the secured overnight financing rate published by FRBNY (or a successor administrator), as administrator of the benchmark, on its website (or any successor source satisfactory to Agent).

SOFR Adjustment: (a) with respect to Daily Simple SOFR, 0.11448%, and (b) with respect to Term SOFR, 0.11448% for a one month interest period, 0.26161% for a three month interest period and 0.42826% for a six month interest period.

SONIA: for any determination date (which date shall be the preceding Business Day if it is not a Business Day), the Sterling Overnight Index Average Reference Rate published on such date on the applicable Reuters screen page (or other commercially available source designated by Lender from time to time); provided, that in no event shall SONIA be less than zero. Any change in SONIA shall be effective from and including the date of such change, without further notice.

SONIA Adjustment: 0.0326% per annum.

Successor Rate: as defined in Section (g) below.

TARGET Day: any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) payment system (or, if such payment system ceases to be operative, such other payment system (if any) determined by the Agent to be a suitable replacement) is open for the settlement of payments in Euro.

Term SOFR: for the applicable corresponding Interest Period of BSBY (or if any Interest Period does not correspond to an interest period applicable to SOFR, the closest corresponding interest period of SOFR, but if such interest period of SOFR corresponds equally to two Interest Periods of BSBY, the corresponding interest period of shorter duration shall be applied), the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a BSBY Loan.

2. Terms Applicable to BSBY, SONIA and EURIBOR Loans. From and after the Third Amendment Effective Date, the following provisions shall apply to the Credit Agreement and other Loan Documents:

(a) Unavailability of LIBOR Loans.

(i) Any request for a new LIBOR Loan in Dollars shall be deemed to be a request for a BSBY Loan;

(ii) Any request for a new Foreign Base Rate Loan in Euros shall be deemed to be a request for a EURIBOR Loan; and

(iii) Any request for a new Foreign Base Rate Loan in Sterling shall be deemed to be a request for a SONIA Loan;

provided, in each case, any LIBOR Loan, EURIBOR Loan or SONIA Loan outstanding on the Third Amendment Effective Date shall continue to bear interest at LIBOR until the end of its current Interest Period.

(b) References to LIBOR Loans, Etc. in the Loan Documents.

(i) References to LIBOR Loans, LIBOR, any Eurocurrency Loans or rate, or the administration or terms thereof, or other matters relating thereto in the Loan Documents that are not specifically addressed herein shall be deemed to be references to (x) BSBY Loans and the BSBY Rate, as applicable, (y) EURIBOR Loans and EURIBOR, as applicable, and (z) SONIA Loans and SONIA, as applicable. In addition, general references to Revolving Loans and interest rates, their administration or terms, and related matters shall be deemed to include (A) BSBY Loans and the BSBY Rate, as applicable, (B) EURIBOR Loans and EURIBOR, as applicable, and (C) SONIA Loans and SONIA, as applicable.

(ii) For purposes of any requirement for Borrowers to compensate Lenders for losses in the Credit Agreement resulting from any continuation, conversion, payment or prepayment of any Loan on a day other than the last day of any Interest Period shall be deemed to include BSBY Loans, EURIBOR Loans and SONIA Loans, as applicable.

(c) Interest Rates. Agent does not warrant or accept responsibility, nor shall it have any liability with respect to the administration, submission or any other matter related to, the rates in the definition of BSBY Rate, EURIBOR or SONIA or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to such rate or the effect of any of the foregoing, or of any Conforming Changes.

(d) Borrowings, Conversions, Continuations and Prepayments of BSBY Loans. In addition to any other borrowing or prepayment requirements set forth in the Credit Agreement:

(i) Notice of Borrowing of BSBY Loans. For any Borrowing, conversion or continuation of a BSBY Loan, Borrower Agent shall deliver a Notice of Borrowing or Notice of Conversion/Continuation, as applicable, to Agent by 11:00 a.m. at least three Business Days prior to the requested funding date. Notices received by Agent after such time shall be deemed received on the next Business Day. Each such notice shall be irrevocable and must specify (A) the amount, (B) the requested funding date (which must be a Business Day), (C) that such Borrowing, conversion or continuation is to be made as a BSBY Loan, and (D) the applicable Interest Period (which shall be deemed to be one month if not specified). Each Borrowing of BSBY Loans when made shall be in a minimum amount of $1,000,000, plus an increment of $100,000 in excess thereof. No more than 5 Borrowings of BSBY Loans may be outstanding at any time, and all BSBY Loans having the same length and beginning date of their Interest Periods shall be aggregated together and considered one Borrowing.

(ii) Interest Periods. Borrowers shall select an interest period ("Interest Period") of one, three or six months (in each case, subject to availability) to apply to each BSBY Loan; provided, that (a) the Interest Period shall begin on the date the Loan is made or continued as, or converted into, a BSBY Loan, and shall expire on the numerically corresponding day in the calendar month at its end; (b) if any Interest Period begins on a day for which there is no corresponding day in the calendar month at its end or if such corresponding day falls after the last Business Day of the ending month, then the Interest Period shall expire on such month's last Business Day; and if any Interest Period would otherwise expire on a day that is not a Business Day, the period shall expire on the next Business Day; and (c) no Interest Period shall extend beyond the maturity date of the credit facility.

(iii) Voluntary Prepayment of BSBY Loans. BSBY Loans may be prepaid from time to time, without penalty or premium, pursuant to a notice of prepayment to Agent, delivered at least three Business Days prior to prepayment of the Loan; provided, that no such notice shall be required for repayments effected through sweeps from the Dominion Account.

(iv) Conforming Changes. Agent may make Conforming Changes with respect to BSBY, EURIBOR or SONIA from time to time and, notwithstanding anything to the contrary in any Loan Document, amendments implementing such Conforming Changes will become effective without any further action or consent of any other party

to any Loan Document; provided, Agent shall post each amendment implementing Conforming Changes to Borrowers and Lenders reasonably promptly after such amendment becomes effective.

(e) Interest. Subject to the provisions of the Credit Agreement with respect to default interest, (i) each BSBY Loan shall bear interest at the BSBY Rate for the applicable Interest Period, plus the Applicable Margin, and (ii) each EURIBOR Loan and each SONIA Loan shall bear interest at the applicable Foreign Base Rate. Interest on each such Revolving Loan shall be due and payable in arrears on each Interest Payment Date and at such other times and in such manner as specified in the Credit Agreement.

(f) Computations. Computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the BSBY Rate) and SONIA Loans shall be computed for actual days elapsed, based on a year of 365 or 366 days, as applicable. All other interest, as well as fees and other charges calculated on a per annum basis, shall be computed for actual days elapsed, based on a year of 360 days. Each determination by Agent of an interest rate or fee shall be conclusive and binding for all purposes, absent manifest error.

(g) Inability to Determine Rates; Successor Rates.

(i) Inability to Determine Rate. If in connection with any request for a BSBY Loan or a conversion to or continuation thereof, as applicable, (A) Agent determines (which determination shall be conclusive absent manifest error) that (I) no Successor Rate has been determined in accordance with Section 2(g)(ii), and the circumstances under Section 2(g)(ii)(A) or the Scheduled Unavailability Date has occurred (as applicable), or (II) adequate and reasonable means do not otherwise exist for determining BSBY Rate for any requested Interest Period with respect to a proposed BSBY Loan or in connection with an existing or proposed Base Rate Loan, or (B) Agent or Required Lenders determine that for any reason that BSBY Rate for any requested Interest Period with respect to a proposed BSBY Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, Agent will promptly so notify Borrowers and Lenders. Thereafter, (1) the obligation of Lenders to make, maintain, or convert Base Rate Loans to, BSBY Loans shall be suspended (to the extent of the affected BSBY Loans or Interest Periods), and (2) in the event of a determination described in the preceding sentence with respect to the BSBY Rate component of Base Rate, the utilization of such component in determining Base Rate shall be suspended, in each case until Agent (or, in the case of a determination by Required Lenders described above, until Agent upon instruction of Required Lenders) revokes such notice. Upon receipt of such notice, (x) Borrowers may revoke any pending request for a Borrowing, conversion or continuation of BSBY Loans (to the extent of the affected BSBY Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for Base Rate Loans, and (y) any outstanding BSBY Loans shall convert to Base Rate Loans at the end of their respective Interest Periods.

(ii) Successor Rates. Notwithstanding anything to the contrary in any Loan Document, if Agent determines (which determination shall be conclusive absent manifest error), or Borrower Agent or Required Lenders notify Agent (with, in the case of the Required Lenders, a copy to Borrowers) that Borrowers or Required Lenders (as applicable) have determined, that:

(A) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of BSBY Rate, including because the BSBY Screen Rate is not available or published on a current basis, and such circumstances are unlikely to be temporary; or

(B) Bloomberg or any successor administrator of the BSBY Screen Rate or a Governmental Authority having jurisdiction over Agent, Bloomberg or such administrator has made a public statement identifying a specific date after which one month, three month and six month interest periods of BSBY Rate or the BSBY Screen Rate shall or will no longer be representative or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, or that such interest periods or the BSBY Screen Rate have failed to comply with International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, provided, that at the time of such statement, there is no successor administrator satisfactory to Agent that will continue to provide such representative interest periods of BSBY Rate after such specific date (the latest date on which one month, three month and six month interest periods of BSBY Rate or the BSBY Screen Rate are no longer representative or available permanently or indefinitely, "Scheduled Unavailability Date");

then, on a date and time determined by Agent (any such date, "BSBY Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (b) above, no later than the Scheduled Unavailability Date, BSBY Rate will be replaced hereunder and under any other applicable Loan Document with, subject to the proviso below, the first available alternative set forth in the order below for any interest period for interest calculated that can be determined by Agent, in each case, without any amendment to, or further action or consent of any other party to any Loan Document ("Successor Rate"):

(I) Term SOFR plus the SOFR Adjustment; and

(II) Daily Simple SOFR plus the SOFR Adjustment;

provided, that if initially BSBY is replaced with Daily Simple SOFR plus the SOFR Adjustment and, subsequent to such replacement, Agent determines that Term SOFR has become available and is administratively feasible for Agent in its discretion, and Agent notifies Borrower Agent and Lenders of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than 30 days after the date of such notice, the Successor Rate shall be Term SOFR plus the SOFR Adjustment. If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest will be payable on a monthly basis.

Notwithstanding anything to the contrary herein, (1) if Agent determines that neither of the alternatives in clauses (I) and (II) above is available on or prior to the BSBY Replacement Date or (2) if the events or circumstances of the type described in Section (g)(ii)(A) or (B) above have occurred with respect to the Successor Rate then in effect, then in each case, Agent and Borrower Agent may amend the Credit Agreement

solely for the purpose of replacing BSBY Rate or any then current Successor Rate in accordance with this Section at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service selected by Agent from time to time in its discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a Successor Rate. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after Agent posts such proposed amendment to all Lenders and Borrowers unless, prior to such time, Required Lenders deliver to Agent written notice that Required Lenders object to the amendment.

Agent will promptly (in one or more notices) notify Borrowers and Lenders of implementation of any Successor Rate. A Successor Rate shall be applied in a manner consistent with market practice; provided, that to the extent market practice is not administratively feasible for Agent, the Successor Rate shall be applied in a manner as otherwise reasonably determined by Agent. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero, the Successor Rate will be deemed to be zero for all purposes of the Loan Documents.

In connection with implementation of a Successor Rate, Agent may make Conforming Changes from time to time and, notwithstanding anything to the contrary in any Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to any Loan Document; provided, that with respect to any such amendment effected, Agent shall post each amendment implementing Conforming Changes to Borrowers and Lenders reasonably promptly after such amendment becomes effective.

Exhibit 4.12
Execution Version

FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT

This **FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "Amendment") is dated as of March 30, 2022, and is entered into by and among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.," and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. **WHEREAS**, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. **WHEREAS**, the Obligors have requested that the Agent and Lenders amend the Loan Agreement in certain respects; and

C. **WHEREAS**, the Agent and Lenders are willing to amend the Loan Agreement in certain respects, on the terms and subject to the conditions contained in this Amendment.

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 1.2 Recitals. The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.1 **New Definition**. The following new definition shall be added to Section 1.1 of the Loan Agreement in proper alphabetical order to read as follows:

"Financial Covenant Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than $7,500,000 or 10% of the aggregate Revolver Commitments; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than $7,500,000 and 10% of the aggregate Revolver Commitments."

Section 2.2 **Amended Definitions**. The following definitions in Section 1.1 of the Loan Agreement are hereby amended and restated in their entirety to read as follows:

"Account Debtor Approved Countries: the (i) United States, (ii) Canada, (iii) any member state of the European Union as of April 30, 2004, (iv) the United Kingdom of Great Britain and Northern Ireland, (v) Hong Kong, (vi) New Zealand, (vii) Norway, (viii) Singapore, (ix) Switzerland, and (x) Australia, in each case, together with any state or province or territory thereof (as applicable); provided, that during the continuance of a Financial Covenant Trigger Period, the Agent may, in its Permitted Discretion and as a condition to such jurisdiction remaining an Account Debtor Approved Country, require that Borrowers provide local law security documentation in respect of Accounts of Account Debtors organized outside of the jurisdiction of organization of such Borrowers to ensure that the Agent has a duly perfected and enforceable Lien under the applicable law of such jurisdiction."

"Applicable Margin: the margin set forth below, as determined by the trailing 4 Fiscal Quarter EBITDA measured as of the end of the most recently ended Fiscal Quarter:

Level	EBITDA	Base Rate Loans	Foreign Base Rate Loans	BSBY Revolver Loans
I	> $14,000,000	0.35%	1.35%	1.35%
II	> $10,000,000 ≤ $14,000,000	0.575%	1.575%	1.575%
III	≤ $10,000,000	0.85%	1.85%	1.85%

Margins shall be subject to increase or decrease by Agent on the first day of the calendar month following each Fiscal Quarter end. If Agent is unable to calculate EBITDA for a Fiscal Quarter due to Borrowers' failure to deliver any financial statement when required hereunder, then, at the option of Agent or Required Lenders, margins shall be determined as if Level III were applicable until the first day of the calendar month following its receipt.

Compliance Certificate: a certificate, in the form attached as **Exhibit C** hereto and otherwise in form and substance satisfactory to Agent, by which Borrowers certify compliance with **Section 10.3** and calculating Fixed Charge Coverage Ratio regardless of the existence of a Financial Covenant Trigger Period.

"Letter of Credit Subline: $15,000,000."

"Payment Conditions: with respect to any investments, Distributions, payment of Debt, (i) both before and after giving effect to any such transaction and giving pro forma effect to the applicable transaction, no Default or Event of Default has occurred and is continuing or would arise as a result of the applicable transaction, (ii) after giving pro forma effect to the applicable transaction Availability shall not be less than the greater of $12,000,000 and 15% of the Borrowing Base then in effect for each of the 30 days immediately prior to the consummation of such transaction and immediately after giving effect thereto and (iii) the Fixed Charge Coverage Ratio as of the most recent four (4) Fiscal Quarter period ended for which financial statements pursuant to Section 10.1.2 were required to have been delivered shall not be less than 1.00:1.00."

"Restricted Investment: any Investment by a Borrower or Subsidiary, other than (a) Investments in Subsidiaries to the extent existing on the Closing Date; (b) Cash Equivalents that are subject to Agent's Lien and control, pursuant to documentation in form and substance satisfactory to Agent; (c) loans and advances permitted under **Section 10.2.7**; (d) Permitted Acquisitions; (e) Investments in the form of loans or capital contributions to Affiliates of Borrowers, in an aggregate outstanding amount not to exceed $10,000,000 provided no Default or Event of Default exists at the time of such investment and after giving effect to such Investment; and (f) other Investments so long as the Payment Conditions are satisfied with respect to each such Investment."

"Revolver Termination Date: March 31, 2027."

"Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than $10,000,000 or 10% of the aggregate Revolver Commitments; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than $10,000,000 and 10% of the aggregate Revolver Commitments."

"Unused Line Fee Rate: a per annum rate equal to (a) 0.300%, if average daily Revolver Usage was 50% or less of the Revolver Commitments during the preceding calendar month, or (b) 0.200%, if average daily Revolver Usage was more than 50% of the Revolver Commitments during such month."

"U.K. Sublimit: $10,000,000, subject to Reallocation under **Section 2.2**."

"U.S. Inventory Formula Amount: the lesser of:

(a) $30,000,000 and

(b) the sum of:

(i) the lesser of (x) 65% of the Value of Eligible Inventory of Promethean U.S.; or (y) 85% of the NOLV Percentage of the Value of
Eligible Inventory of Promethean U.S.; plus
(ii) the least of (x) $15,000,000, (y) 65% of the Value of Eligible InTransit Inventory of Promethean U.S. or (z) 85% of the NOLV Percentage of the Value of Eligible In-Transit Inventory of Promethean U.S.;

provided, however, no Inventory shall be included in the above calculation until completion of the applicable appraisals satisfactory to Agent."

"U.S. Sublimit: $65,000,000, subject to Reallocation under **Section 2.2**."

Section 2.3 Amendment to Section 2.2.1 of the Loan Agreement. Section 2.2.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"2.2.1 Reallocation. Borrowers may request that Agent change the then current allocation of their respective U.K. Sublimit and U.S. Sublimit in order to effect an increase in the U.K Sublimit or U.S. Sublimit with a contemporaneous decrease in the other sublimit (each, a "Reallocation"). Any such Reallocation shall be subject to the following conditions: (i) Borrower Agent shall have provided to Agent a written notice (in reasonable detail) at least ten (10) Business Days prior to the requested effective date (which effective date shall be the first day of the subsequent Fiscal Quarter) of such Reallocation (the "Reallocation Date") setting forth the proposed Reallocation Date and the amounts of the U.K Sublimit and U.S. Sublimit reallocation to be effected, (ii) any such Reallocation shall increase or decrease the applicable sublimits in increments of $1,000,000, and, after giving effect to any such Reallocation, the U.S. Sublimit shall not be less than $15,000,000, (iii) no Default or Event of Default shall have occurred and be continuing either as of the date of such request or on the Reallocation Date (both immediately before and after giving effect to such Reallocation), (iv) any increase or decrease in the U.K Sublimit or U.S. Sublimit shall result in a concurrent decrease or increase in the other sublimit, (v) after giving effect to such Reallocation, no Overadvance would exist or would result therefrom, and (vi) at least three (3) Business Days prior to the proposed Reallocation Date, a Senior Officer of Borrower Agent shall have delivered to Agent a certificate certifying as to compliance with preceding clauses (i) through (v) and demonstrating (in reasonable detail) the calculations required in connection therewith."

Section 2.4 Amendment to Section 2.1.7 of the Loan Agreement. Section 2.1.7 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"2.1.7 Increase in Revolver Commitments. Borrowers may request an increase in Revolver Commitments from time to time upon not less than 30 days' notice to Agent, as long as (a) the requested increase is in a minimum amount of $5,000,000 and is offered on the same terms as existing Revolver Commitments, except for a closing fee specified by Borrowers, and (b) total increases under this Section do not exceed $25,000,000 and no more than 3 increases are made. Agent shall promptly notify Lenders of the requested increase and, within 10 Business Days thereafter, each Lender shall notify Agent if and to what extent such Lender commits to

increase its Revolver Commitment. Any Lender not responding within such period shall be deemed to have declined an increase. If Lenders fail to commit to the full requested increase, Eligible Assignees may issue additional Revolver Commitments and become Lenders hereunder. Agent may allocate, in its discretion, the increased Revolver Commitments among committing Lenders and, if necessary, Eligible Assignees. Total Revolver Commitments shall be increased by the requested amount (or such lesser amount committed by Lenders and Eligible Assignees) on a date agreed upon by Agent and Borrower Agent, provided the conditions set forth in Section 6.2 are satisfied at such time. Agent, Borrowers, and the new and existing Lenders shall execute and deliver such documents and agreements as Agent deems appropriate to evidence the increase in and allocations of Revolver Commitments. On the effective date of an increase, the Revolver Usage and other exposures under the Revolver Commitments shall be reallocated among Lenders, and settled by Agent as necessary, in accordance with Lenders' adjusted shares of such commitments."

Section 2.5 Amendment to Section 10.1.2(b) of the Loan Agreement. Section 10.1.2(b) of the Loan Agreement is hereby amended and restated in its entirety to read as follows

"(b) as soon as available, and in any event within (i) 45 days after the end of each Fiscal Quarter when a Trigger Period is not in effect, (ii) 30 days after the end of each month when a Trigger Period is in effect (but within 60 days after the last month in a Fiscal Year), unaudited balance sheets as of the end of such month and the related statements of income and cash flow for such Fiscal Quarter or month, as applicable, and for the portion of the Fiscal Year then elapsed, on consolidated and consolidating bases for Parent and Subsidiaries, setting forth in comparative form corresponding figures for the preceding Fiscal Year and certified by the chief financial officer of Borrower Agent as prepared in accordance with IFRS and fairly presenting the financial position and results of operations for such month and period, subject to normal year-end adjustments and the absence of footnotes; provided, that statements of cash flow shall only be delivered with the monthly financial statements delivered for the last month of each Fiscal Quarter;"

Section 2.6 Amendment to Section 10.3.1 of the Loan Agreement. Section 10.3.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"10.3.1 Fixed Charge Coverage Ratio. Maintain a Fixed Charge Coverage Ratio for each 4 Fiscal Quarter period of at least 1.00:1.00 while a Financial Covenant Trigger Period is in effect, measured quarterly as of the last day of each Fiscal Quarter for the most recent Fiscal Quarter for which financial statements were delivered hereunder prior to the Financial Covenant Trigger Period and each Fiscal Quarter ending thereafter until the Financial Covenant Trigger Period is no longer in effect."

Section 2.1 Amendment to Section 14. Section 14 of the Loan Agreement is hereby amended by adding a new Section 14.20 to the end of Section 14 to read as follows:

"14.20 Acknowledgment Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Hedge Agreements or any other agreement or instrument that is a QFC (such support, "QFC

Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 14.20, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D)." **Section 2.2 Amendment to Schedule 1.1 of the Loan Agreement.** Schedule 1.1 of the Loan Agreement is hereby deleted and replaced with Schedule 1.1 attached hereto as Appendix A.

Section 2.3 Amendment to Obligors' Schedules of the Loan Agreement. The Obligors' Schedules to the Loan Agreement are hereby updated to reflect information relating to the Obligors since prior delivery to the Agent, as attached hereto as Appendix B. Each Obligor hereby confirms that the representations and warranties set forth in Section 9 of the Loan Agreement applicable to such Obligor are true and correct in all material respects as of the date of this Amendment after giving effect to such amendment to such Schedules.

ARTICLE III

AMENDMENT FEE

The Borrowers shall pay to the Agent, in addition to all other fees and charges in the Loan Documents, a non-refundable amendment fee equal to $155,000 (the "Amendment Fee"). The Borrowers hereby acknowledge and agree that the foregoing Amendment Fee is fully-earned as of the date hereof and non-refundable for any reason.

ARTICLE IV

CONDITIONS PRECEDENT AND POST-CLOSING REQUIREMENTS

Section 3.1 Conditions Precedent. The parties hereto agree that the amendments set forth herein shall not be effective until the satisfaction of each of the following conditions precedent (such date shall be referred to as the "Fourth Amendment Effectiveness Date"):

(a) The representations and warranties contained herein and in the Loan Agreement, as amended hereby, shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date;

(b) No Default or Event of Default shall have occurred and be continuing;

(c) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment;

(d) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, a certificate from a duly authorized officer of each Obligor, dated as of the date hereof, certifying: (i) either that the Obligors' Organic Documents have not been amended since the Closing Date, and are in full force and effect or that the attached copies of such Obligor's Organic Documents are true and complete, and in full force and effect, without amendment except as shown, as applicable; (ii) either, to the title, name and signature of each Person authorized to sign this Amendment and the other Loan Documents or that no changes have been made since the Closing Date; and (iii) an attached copy of resolutions authorizing execution, delivery, and performance of this Amendment and the other Loan Documents is true and complete, and that such

resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this credit facility;

(e) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, in respect of each company incorporated in the United Kingdom whose shares are the subject of a Lien granted in favor of the Agent (a "Charged Company"), either (i) a certificate of an authorised signatory of the Parent certifying that (A) it and each of its Subsidiaries has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and (ii) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares, together with a copy of the "PSC register" (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company, which is certified by an authorised signatory of the Parent to be correct, complete and not amended or superseded as at a date no earlier than the date of this Agreement; or (ii) a certificate of an authorised signatory of the Parent certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006;

(f) The Obligors shall have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, a copy of an English law guarantee and debenture duly executed and delivered by each of the signatories thereto; and

(g) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including the Amendment Fee and reasonable attorneys' fees and costs).

Section 3.2 Post-Closing Requirements.

(a) By no later than 90 days after the date hereof, Obligors shall provide to Agent, in form and substance satisfactory to Agent, that the Charge, recorded at Companies House, Cardiff, Wales, in favor of Lloyds Bank plc against the U.K. Borrower on February 7, 2018 is terminated.

(b) By no later than 60 days after the date hereof, Obligors shall provide to Agent, in form and substance satisfactory to Agent, the original share certificates and stock transfer forms executed in blank in respect of the Equity Interests in Chalkfree Limited and Promethean (Holdings) Limited subject to the Liens created by the U.K. Security Documents.

ARTICLE V

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 5.1 Acknowledgment of the Obligors. The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; (c) do not conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Obligor is a party or affecting it, or the properties of such Obligor or any subsidiary thereof, or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Obligor or any subsidiary thereof or its property is subject; and (c) when executed and delivered by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the

Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 5.2 Representations and Warranties. The Obligors represent and warrant that, after giving effect to this Amendment, except as disclosed in the updated Schedules of the Obligors' attached to this Amendment as Appendix B, and, by reference incorporated herein, each of the representations and warranties made by the Parent and each Borrower in Section 9 of the Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date.

Section 5.3 Loan Documents Unmodified. Except as otherwise specifically modified by this Amendment, all terms and provisions of the Loan Agreement and all other Loan Documents, as modified hereby, shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Documents, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. Subject to the terms of this Amendment, any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations.

Section 5.4 Event of Default. A breach of this Amendment shall be an Event of Default.

Section 5.5 Parties, Successors and Assigns. This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 5.6 Counterparts. This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 5.7 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 5.8 Expenses of Agent. Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent's legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent's legal counsel.

Section 5.9 Choice of Law; Jury Trial Waiver. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF SECTIONS 14.15 AND 14.16 OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 5.10 Release.

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS

Section 5.11 Total Agreement. This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof, and shall not be changed or terminated orally.

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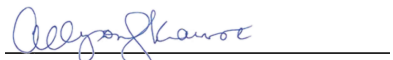
IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of

the day and year first written above.

PARENT:

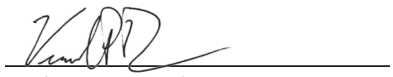
BORROWERS:

PROMETHEAN WORLD LIMITED



Allyson G. Krause By:

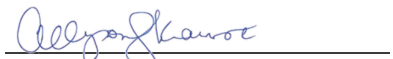
Name:
Title: Director



Vincent P. Riera **PROMETHEAN INC.**

By:
Name:
Title: _____ Director/President

PROMETHEAN LIMITED



Allyson G. Krause By:

Name:
Title: Director

AGENT AND LENDERS:

BANK OF AMERICA, N.A.,

as Agent and Lender

By:

Tyler Sims

Name: Tyler Sims

Title: Senior Vice President

ACKNOWLEDGMENT AND CONSENT BY GUARANTORS

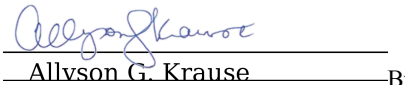
Each of the undersigned (each, a "Guarantor") consents to the foregoing Amendment to Loan Agreement and other Loan Documents and the transactions contemplated thereby and reaffirms its obligations under the Loan Documents to which it is a party, including but not limited to that certain Continuing and Unconditional Guaranty dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of June 25, 2018, and that certain Pledge Agreement dated as of June 25, 2018, as such documents may be amended, modified, supplemented or replaced from time to time.

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Loan Documents are separate and distinct from the Borrowers' obligations and reaffirms its waivers of each and every one of the possible defenses to such obligations.

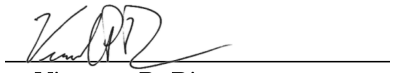
[Signature Page Follows]

Agreed and Acknowledged:

PROMETHEAN WORLD LIMITED

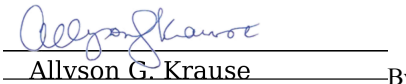
By: 
Allyson G. Krause
Name:
Title: Director

PROMETHEAN (HOLDINGS) LIMITED


Vincent P. Riera

Title: Director

CHALKFREE LIMITED

By: 
Allyson G. Krause
Name:
Title: Director

Appendix A

SCHEDULE 1.1
to
Loan and Security Agreement

REVOLVER COMMITMENTS OF LENDERS

Lender	Revolver Commitment
Bank of America, N.A. and its Lending Offices[1]	$75,000,000

[1] Revolver Loans made to Promethean U.K. will be recorded on the books and records of Bank of America (acting through its London branch) and Revolver Loans made to Promethean U.S. will be recorded on the books and records of Bank of America in the United States. Bank of America in the United States has a UK double tax treaty passport and wishes it to apply to any advance it makes under this loan.

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Exhibit 4.13
Execution Version

FIFTH AMENDMENT
TO LOAN AND SECURITY AGREEMENT

This **FIFTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "Amendment") is dated as of January 19, 2023, and is entered into by and among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.," and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. WHEREAS, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. WHEREAS, the Obligors have requested that the Agent and Lenders amend the Loan Agreement in certain respects; and

C. WHEREAS, the Agent and Lenders are willing to amend the Loan Agreement in certain respects, on the terms and subject to the conditions contained in this Amendment.

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 1.2 Recitals. The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.1 New Definition. The following new definition shall be added to Section 1.1 of the Loan Agreement in proper alphabetical order to read as follows:

SPAC: a newly formed special purpose acquisition entity, which (i) has been formed

with the purpose of raising capital, (ii) has completed an initial public offering resulting in the Equity Interests of such entity being listed on a United States national securities exchange, and (iii) does not conduct any material business or maintain any material assets other than cash.

SPAC Transaction: an acquisition, merger or other business combination involving Parent and an SPAC, provided that (i) Parent shall be a wholly owned subsidiary of the surviving entity, (ii) the transaction shall result in the surviving entity being listed on a United States national securities exchange, (iii) subject to compliance with applicable laws and regulations, Borrowers shall have provided ten (10) Business Days prior written notice of the transaction to Agent, and Agent shall have received copies of the material documents entered into to effect the SPAC Transaction, as Agent may reasonably request, together with any documents that Agent may reasonably request to maintain Agent's security interest and other rights with respect to Borrowers and the Collateral pursuant to this Agreement and (iv) Borrower has provided such additional information and materials to allow Agent and Lenders to satisfactorily complete their "know your customer" requirements.

Section 2.2 Amended Definitions. The following definitions in Section 1.1 of the Loan Agreement are hereby amended and restated in their entirety to read as follows:

Change of Control: (a) NetDragon Websoft Holdings Limited, organized under the laws of the Cayman Islands, ceases to own and control, beneficially and of record, directly or indirectly, at least 51% Equity Interests in Parent; (b) Parent cease to own and control, beneficially and of record, all of the Equity Interests of each of its direct and indirect Subsidiaries; (c) a change in the majority of directors of Parent during any 24 month period, unless approved by the majority of directors serving at the beginning of such period; or (d) the sale or transfer of all or substantially all assets of a Borrower, except to another Borrower. Notwithstanding the above, a SPAC Transaction shall not constitute a Change of Control.

Financial Covenant Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of $8,000,000 or 10% of the Borrowing Base then in effect; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than the greater of $8,000,000 and 10% of the Borrowing Base then in effect.

Payment Conditions: with respect to any investments, Distributions, payment of Debt, (i) both before and after giving effect to any such transaction and giving pro forma effect to the applicable transaction, no Default or Event of Default has occurred and is continuing or would arise as a result of the applicable transaction,
(ii) after giving pro forma effect to the applicable transaction Availability shall not be less than the greater of $15,000,000 and 15% of the Borrowing Base then in effect for each of the 30 days immediately prior to the consummation of such transaction and immediately after giving effect thereto and (iii) the Fixed Charge Coverage Ratio as of the most recent four (4) Fiscal Quarter period ended for which financial statements pursuant to Section 10.1.2 were required to have been delivered shall not be less than 1.00:1.00.

Reporting Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of $12,500,000 or 15% of the Borrowing Base then in effect for 5 consecutive days; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than the greater of $12,500,000 and 15% of the Borrowing Base then in effect.

Revolver Termination Date: January 19, 2028.

Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of $10,000,000 or 10% of the Borrowing Base then in effect; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than the greater of $10,000,000 and 10% of the Borrowing Base then in effect.

U.S. Inventory Formula Amount: the lesser of:

(a) $50,000,000 (provided that, in any calendar year, Borrowers shall have the one-time option to increase this number to $75,000,000 for the period commencing on the date Borrowers provide written notice of such election to Agent and ending four months thereafter) and

(b) the sum of:

(i) the lesser of (x) 65% of the Value of Eligible Inventory of Promethean U.S.; or (y) 85% of the NOLV Percentage of the Value of Eligible Inventory of Promethean U.S.; plus

(ii) the least of (x) $25,000,000, (y) 65% of the Value of Eligible In- Transit Inventory of Promethean U.S. or (z) 85% of the NOLV Percentage of the Value of Eligible In-Transit Inventory of Promethean U.S.;

provided, however, no Inventory shall be included in the above calculation until completion of the applicable appraisals satisfactory to Agent.

Letter of Credit Subline: $25,000,000, which is comprised of the U.K. LC Sublimit and the U.S. LC Sublimit.

U.K. LC Sublimit: $10,000,000.

U.S. LC Sublimit: $15,000,000.

U.K. Sublimit: $20,000,000, subject to Reallocation under Section 2.2.

U.S. Sublimit: $105,000,000, subject to Reallocation under Section 2.2.

Section 2.1 Amendment to Section 3.2 of the Loan Agreement. A new Section 3.2.4 is hereby added to the Loan Agreement to read as follows:

3.2.4 U.S. Inventory Formula Amount Fee. In any given calendar year, on the date that Borrowers exercise their option to temporarily increase the U.S. Inventory Formula Amount under clause (a) of such definition and on the

first day of each subsequent calendar month during such temporary increase, Borrowers shall pay to Agent, for the Pro Rata benefit of Lenders, a fee equal to $10,000.

Section 2.2 Amendment to Schedule 1.1 of the Loan Agreement. Schedule 1.1 of the Loan Agreement is hereby deleted and replaced with Schedule 1.1 attached hereto as Appendix A.

ARTICLE III

CONDITIONS PRECEDENT AND POST-CLOSING REQUIREMENTS

Section 3.1 Conditions Precedent. The parties hereto agree that the amendments set forth herein shall not be effective until the satisfaction of each of the following conditions precedent (such date shall be referred to as the "Fifth Amendment Effectiveness Date"):

(a) The representations and warranties contained herein and in the Loan Agreement, as amended hereby, shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date;

(b) No Default or Event of Default shall have occurred and be continuing;

(c) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment;

(d) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, a certificate from a duly authorized officer of each Obligor, dated as of the date hereof, certifying: (i) either that the Obligors' Organic Documents have not been amended since the Closing Date, and are in full force and effect or that the attached copies of such Obligor's Organic Documents are true and complete, and in full force and effect, without amendment except as shown, as applicable; (ii) either, to the title, name and signature of each Person authorized to sign this Amendment and the other Loan Documents or that no changes have been made since the Closing Date; and (iii) an attached copy of resolutions authorizing execution, delivery, and performance of this Amendment and the other Loan Documents is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this credit facility;

(e) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, in respect of each company incorporated in the United Kingdom whose shares are the subject of a Lien granted in favor of the Agent (a "Charged Company"), either (i) a certificate of an authorised signatory of the Parent certifying that (A) it and each of its Subsidiaries has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and (ii) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares, together with a copy of the "PSC register" (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company, which is certified by an authorised signatory of the Parent to be correct, complete and not amended or superseded as at a date no earlier than the date of this Agreement; or (ii) a certificate of an authorised signatory of the Parent certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006;

(f) The Obligors shall have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, a copy of an English law guarantee and debenture duly executed and delivered by each of the signatories thereto; and

(g) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including the Amendment Fee and reasonable attorneys' fees and costs).

ARTICLE IV

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 4.1 Acknowledgment of the Obligors. The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; (c) do not conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Obligor is a party or affecting it, or the properties of such Obligor or any subsidiary thereof, or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Obligor or any subsidiary thereof or its property is subject; and (c) when executed and delivered by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 4.2 Representations and Warranties. The Obligors represent and warrant that, after giving effect to this Amendment, each of the representations and warranties made by the Parent and each Borrower in Section 9 of the Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date.

Section 4.3 Loan Documents Unmodified. Except as otherwise specifically modified by this Amendment, all terms and provisions of the Loan Agreement and all other Loan Documents, as modified hereby, shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Documents, as modified hereby, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except as otherwise specifically provided in this Amendment. Subject to the terms of this Amendment, any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations.

Section 4.4 Event of Default. A breach of this Amendment shall be an Event of Default.

Section 4.5 Parties, Successors and Assigns. This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 4.6 Counterparts. This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 4.7 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 4.8 Expenses of Agent. Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent's legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent's legal counsel.

Section 4.9 Choice of Law; Jury Trial Waiver. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF SECTIONS 14.15 AND 14.16 OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 4.10 Release.

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS

Section 4.11 Total Agreement. This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof, and shall not be changed or terminated orally.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

PARENT:

PROMETHEAN WORLD LIMITED,

a company incorporated in England and Wales with company number 07118000

By: __ Name: Allyson G. Krause
Title: Director

BORROWERS:

PROMETHEAN INC.,
a Delaware corporation

By: __ Name: Vincent P. Riera
Title: Chief Executive Officer

PROMETHEAN LIMITED,

a company incorporated in England and Wales with company number 01308938

By: __ Name: Allyson G. Krause
Title: Director

AGENT AND LENDERS:

BANK OF AMERICA, N.A.,
as Agent and Lender

By: _____
Name: Tyler Sims
Title: Senior Vice President

ACKNOWLEDGMENT AND CONSENT BY GUARANTORS

Each of the undersigned (each, a "Guarantor") consents to the foregoing Amendment to Loan Agreement and other Loan Documents and the transactions contemplated thereby and reaffirms its obligations under the Loan Documents to which it is a party, including but not limited to that certain Continuing and Unconditional Guaranty dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of June 25, 2018, and that certain Pledge Agreement dated as of June 25, 2018, as such documents may be amended, modified, supplemented or replaced from time to time.

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Loan Documents are separate and distinct from the Borrowers' obligations and reaffirms its waivers of each and every one of the possible defenses to such obligations.

[Signature Page Follows]

Agreed and Acknowledged:

PROMETHEAN WORLD LIMITED,

a company incorporated in England and Wales with company number 07118000

By: __ Name: Allyson G. Krause
Title: Director

PROMETHEAN (HOLDINGS) LIMITED,

a company incorporated in England and Wales with company number 2359658

By: __ Name: Vincent P. Riera
Title: Director

CHALKFREE LIMITED,

a company incorporated in England and Wales with company number 5227933

By: __ Name: Allyson G. Krause
Title: Director

Appendix A

SCHEDULE 1.1
to
Loan and Security Agreement

REVOLVER COMMITMENTS OF LENDERS

Lender	Revolver Commitment
Bank of America, N.A. and its Lending Offices	$125,000,000

[1] Revolver Loans made to Promethean U.K. will be recorded on the books and records of Bank of America (acting through its London branch) and Revolver Loans made to Promethean U.S. will be recorded on the books and records of Bank of America in the United States. Bank of America in the United States has a UK double tax treaty passport and wishes it to apply to any advance it makes under this loan.

Exhibit 4.14
Execution Version

SIXTH AMENDMENT
TO LOAN AND SECURITY AGREEMENT

This **SIXTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "Amendment") is dated as of March 6, 2023, and is entered into by and among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.," and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. **WHEREAS**, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. **WHEREAS**, the Obligors have requested that the Agent and Lenders amend the Loan Agreement in certain respects; and

C. **WHEREAS**, the Agent and Lenders are willing to amend the Loan Agreement in certain respects, on the terms and subject to the conditions contained in this Amendment.

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 **Definitions.** Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 1.2 **Recitals.** The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE II

AMENDMENTS TO LOAN AGREEMENT

Section 2.1 **Existing Definitions**. The definitions in **Section 1.1** of the Loan Agreement set forth below are deleted and replaced as follows:

Applicable Margin: the margin set forth below, as determined by the trailing 4 Fiscal Quarter EBITDA measured as of the end of the most recently ended Fiscal Quarter:

Level	EBITDA	Base Rate Loans	Foreign Base Rate Loans	BSBY Revolver Loans	Base Rate FILO Loans	BSBY FILO Loans
I	> $14,000,000	0.35%	1.35%	1.35%	1.35%	2.35%
II	> $10,000,000 ≤ $14,000,000	0.575%	1.575%	1.575%	1.575%	2.575%
III	≤ $10,000,000	0.85%	1.85%	1.85%	1.85%	2.85%

Margins shall be subject to increase or decrease by Agent on the first day of the calendar month following each Fiscal Quarter end. If Agent is unable to calculate EBITDA for a Fiscal Quarter due to Borrowers' failure to deliver any financial statement when required hereunder, then, at the option of Agent or Required Lenders, margins shall be determined as if Level III were applicable until the first day of the calendar month following its receipt.

Eligible Inventory: Inventory owned by Promethean U.S. or Promethean U.K. that Agent, in its discretion, deems to be Eligible Inventory. Without limiting the foregoing, no Inventory shall be Eligible Inventory unless it (a) is finished goods or raw materials, and not work-in-process, packaging or shipping materials, labels, samples, display items, bags, replacement parts or manufacturing supplies; (b) is not held on consignment, nor subject to any deposit or down payment; (c) is in new or saleable condition and is not materially damaged, defective, shopworn or otherwise unfit for sale; (d) is not slow-moving, perishable, obsolete or unmerchantable, and does not constitute returned defective goods; (e) meets all standards imposed by any Governmental Authority, has not been acquired from a Person that is the target of any Sanction or on any specially designated nationals list maintained by OFAC, and does not constitute hazardous materials under any Environmental Law; (f) conforms with the covenants and representations herein; (g) is subject to Agent's duly perfected, first priority Lien, and no other Lien; (h) (x) is within the continental United States, Canada or, after satisfaction of the U.K. Inventory Conditions, in the Dutch Warehouse, (y) is not in transit except between locations of Borrowers, and (z) is not consigned to any Person; (i) is not subject to any negotiable warehouse receipt or negotiable document of title; (j) is not subject to any License or other arrangement that restricts such Borrower's or Agent's right to dispose of such Inventory, unless Agent has received an appropriate Lien Waiver; (k) is not located on leased premises or in the possession of a warehouseman, processor, repairman, mechanic, shipper, freight forwarder or other Person, unless the lessor or such Person has delivered a Lien Waiver or an appropriate Rent and Charges Reserve has been established; and (l) is reflected in the details of a current perpetual inventory report.

Lien Waiver: an agreement, in form and substance satisfactory to Agent, by which (a) for any material Collateral located on leased premises, the lessor waives or subordinates any Lien it may have on the Collateral, and agrees to permit Agent to enter upon the premises and remove the Collateral or to use the premises to store or dispose of the Collateral; (b) for any Collateral held by a warehouseman, processor, shipper, customs broker or freight forwarder (including the Dutch Warehouse), such Person waives or subordinates any Lien it may have on the Collateral, agrees to hold any Documents in its possession relating to the Collateral as agent for Agent, and agrees to deliver the Collateral to Agent upon request; (c) for any Collateral held by a repairman, mechanic or bailee, such Person acknowledges Agent's Lien, waives or subordinates any Lien it may have on the Collateral, and agrees to deliver the Collateral to Agent upon request; and (d) for any Collateral subject to a Licensor's Intellectual Property rights, the Licensor grants to Agent the right, vis-à-vis such Licensor, to enforce Agent's Liens with respect to the Collateral, including the right to dispose of it with the benefit of the Intellectual Property, whether or not a default exists under any applicable License.

Security Documents: the Guaranties, Deposit Account Control Agreements, the U.K. Security Documents, the Dutch Security Documents and all other documents, instruments and agreements now or hereafter securing (or given with the intent to secure) any Obligations.

U.K. Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the sum of the U.K. Sublimit, minus the U.K. Priority Payables Reserve minus the 2018 Subordinated Debt Payment Reserve; or (b) the sum of the U.K. Accounts Formula Amount, plus the U.K. Inventory Formula Amount (if, and only if, the U.K. Inventory Conditions have been satisfied), plus the FILO Amount for Promethean U.K., minus the Availability Reserve allocated by Agent to Promethean U.K.

U.S. Borrowing Base: on any date of determination, an amount equal to the lesser of (a) the U.S. Sublimit; or (b) the sum of the U.S. Accounts Formula Amount plus the U.S. Inventory Formula Amount, plus the FILO Amount for Promethean U.S., minus the Availability Reserve allocated by Agent to Promethean U.S.

Section 2.2 **New Definitions**. The following definitions are added to **Section 1.1** of the Loan Agreement in the appropriate alphabetical place:

Dutch Pledge: the pledge agreement governed by the laws of the Netherlands relating to the inventory of Promethean U.K. delivered to Agent pursuant to the U.K. Inventory Conditions.

Dutch Security Documents: the Dutch Pledge and each pledge agreement or other similar agreement, instrument or document governed by the laws of the Netherlands now or hereafter securing (or given with the intent to secure) any Obligations.

Dutch Warehouse: means the warehouses located at Venray 1 with an address of GXO LOGISTICS, GXO 1, VENNOOTSTRAAT 2, VENRAY, 5804, NETHERLANDS, and Venray 8 with an address of GXO Logistics, GXO 8, Smakterweg 21, Venray, 5804, NETHERLANDS owned by XPO Supply Chain Netherlands b.v.

FILO Amount: at any time during the FILO Period, an amount equal to the lesser of (a) the FILO Cap Amount, and (b)(i) 10% of the Value of Eligible Accounts of Promethean U.S. or Promethean U.K., as applicable, plus (ii) 10% of the NOLV Percentage of the Value of Eligible Inventory of Promethean U.S. or Promethean U.K., as applicable; provided, however, that the calculation of the FILO Amount with respect to Promethean U.K. shall only include clause (b)(ii) if, and only if, the U.K. Inventory Conditions are satisfied in Agent's reasonable discretion.

FILO Cap Amount: $12,000,000 for Promethean U.S. and $3,000,000 for Promethean U.K.

FILO Loan: any Revolver Loan that is borrowed and deemed outstanding as a FILO Loan pursuant to **Section 2.1**.

FILO Period: the period of time commencing on the Sixth Amendment Effective Date and ending on the date that is 180 days after the Sixth Amendment Effective Date.

Sixth Amendment Effective Date: March 2, 2023.

U.K. Inventory Conditions: means with respect to the inclusion of the U.K. Inventory Formula Amount in the U.K. Borrowing Base, the Agent's receipt of the following in form and substance acceptable to the Agent in its sole discretion, in respect of each U.K. Obligor:

(a) a certificate of a duly authorized officer, certifying (i) either that such Obligors' Organic Documents have not been amended since the Closing Date, and are in full force and

effect or that the attached copies of such Obligor's Organic Documents are true and complete, and in full force and effect, without amendment except as shown, as applicable; (ii) either, to the title, name and signature of each Person authorized to sign the Loan Documents to be delivered pursuant to the U.K. Inventory Conditions or that no changes have been made since the Closing Date; and (iii) an attached copy of board and shareholder resolutions authorizing execution, delivery, and performance of the Loan Documents to be delivered pursuant to the U.K. Inventory Conditions is true and complete, and that such resolutions are in full force and effect, were duly adopted, have not been amended, modified or revoked, and constitute all resolutions adopted with respect to this credit facility;

(b) a copy of an English law guarantee and debenture duly executed and delivered by each U.K. Obligor;

(c) a copy of a Dutch law warehouseman agreement including a Lien Waiver in respect of the Dutch Warehouse duly executed and delivered by each appropriate Person;

(d) a copy of a Dutch law pledge over inventory duly executed and delivered by Promethean U.K.;

(e) copies of policies and certificates of insurance for the insurance policies carried by Promethean U.K. all in compliance with the Loan Documents;

(f) a written opinion of Norton Rose Fulbright LLP with respect to Promethean U.K., the Obligors incorporated in England and Wales and the Loan Documents to be delivered pursuant to the U.K. Inventory Conditions governed by the laws of England and Wales; and

(g) a written opinion of Norton Rose Fulbright LLP with respect to the Loan Documents to be delivered pursuant to the U.K. Inventory Conditions governed by the laws of the Netherlands.

Section 2.3 **Further Amendments**. The Loan Agreement is further amended as follows:

(i) The following sentence is added at the end of **Section 2.1.1** of the Loan Agreement:

During the FILO Period, all Revolver Loans outstanding from time to time up to the FILO Amount shall be deemed to be outstanding FILO Loans for all purposes under this Agreement.

(ii) **Section 2.1.5** of the Loan Agreement is deleted and replaced with the following:

2.1.5 Overadvances. If Revolver Usage exceeds the Borrowing Base ("Overadvance") at any time, the excess shall be payable by Borrowers **on demand** by Agent and shall constitute an Obligation secured by the Collateral, entitled to all benefits of the Loan Documents. Without limiting the foregoing, the aggregate amount of FILO Loans outstanding at the end of the FILO Period shall constitute an Overadvance and be payable in accordance herewith unless, after giving effect to the expiration of the FILO Period, such Obligations constitute Revolver Loans because Revolver Usage does not exceed the Borrowing Base because there remains sufficient Availability despite the removal of the FILO Amount from the Borrowing Base. Agent may require Lenders to fund Floating Rate Loans that cause or constitute an Overadvance and to forbear from requiring Borrowers to cure an Overadvance, as long as the total Overadvance does not exceed 10% of the Revolver Commitments and does not continue for more than 30 consecutive days without the consent of Required Lenders. In no event shall Revolver Loans be required that would cause Revolver Usage to exceed the aggregate Revolver Commitments. No funding or sufferance of an

Overadvance shall constitute a waiver by Agent or Lenders of the Event of Default caused thereby. No Obligor shall be a beneficiary of this **Section 2.1.5** nor authorized to enforce any of its terms. (iii) **Section 3.2.2** of the Loan Agreement is deleted and replaced with the following:

3.2.2 LC Facility Fees. Borrowers shall pay (a) to Agent, for the Pro Rata benefit of Lenders, a fee equal to the Applicable Margin in effect for LIBOR Loans that are not FILO Loans times the average daily Stated Amount of Letters of Credit, which fee shall be payable monthly in arrears, on the first day of each month; (b) to Agent, for its own account, a fronting fee at the rate of 0.125% per annum on the Stated Amount of each Letter of Credit, payable monthly in arrears on the first day of each month; and (c) to Issuing Bank, for its own account, all customary charges associated with the issuance, amending, negotiating, payment, processing, transfer and administration of Letters of Credit, which charges shall be paid as and when incurred. During an Event of Default, the fee payable under clause (a) shall be increased by 2% per annum.

(iv) The following sentence is added at the end of **Section 5.2** of the Loan Agreement:

During the FILO Period, any payment of Obligations in respect of Revolver Loans shall be applied first to Obligations outstanding under Revolver Loans that are not FILO Loans (including principal, interest and fees) until repaid in full, and then to Obligations outstanding under FILO Loans.

(v) **Sections 5.6.1** and the introductory paragraph of **Section 5.6.2** of the Loan Agreement are deleted and replaced with the following:

5.6.1 Application. Payments made by Borrowers hereunder shall be applied (a) first, as specifically required hereby; (b) second, to Obligations then due and owing; (c) third, to other Obligations specified by Borrowers; (d) fourth, to other Obligations then outstanding; and (e) fifth, to the Borrowers or to such other Persons as may then be entitled under Applicable Law. During the FILO Period, any payment of Obligations in respect of Revolver Loans shall be applied first to Obligations outstanding under Revolver Loans that are not FILO Loans (including principal, interest and fees) until repaid in full, and then to Obligations outstanding under FILO Loans.

5.6.2 Post-Default Allocation. Notwithstanding anything in any Loan Document to the contrary, during an Event of Default under **Section 11.1(j)**, or during any other Event of Default at the discretion of Agent or Required Lenders, monies to be applied to the Obligations, whether arising from payments by Obligors, realization on Collateral, setoff or otherwise, shall be allocated as follows (provided that, during the FILO Period, any payment of Obligations in respect of Revolver Loans in each clause below, if any, shall be applied first to Obligations outstanding under Revolving Credit Loans that are not FILO Loans (including principal, interest and fees) until repaid in full, and then to Obligations outstanding under FILO Loans).

ARTICLE III

CONDITIONS PRECEDENT AND POST-CLOSING REQUIREMENTS

Section 3.1 Conditions Precedent. The parties hereto agree that the amendments set forth herein shall not be effective until the satisfaction of each of the following conditions precedent (such date shall be referred to as the "Sixth Amendment Effectiveness Date"):

(a) The representations and warranties contained herein and in the Loan Agreement shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date, including without

limitation, any disclosures made as of the Closing Date that are set forth in the schedules attached to the Loan Agreement;

(b) No Default or Event of Default shall have occurred and be continuing;

(c) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment; and

(d) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including the Amendment Fee and reasonable attorneys' fees and costs).

ARTICLE IV

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 4.1 **Acknowledgment of the Obligors.** The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; (c) do not conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Obligor is a party or affecting it, or the properties of such Obligor or any subsidiary thereof, or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Obligor or any subsidiary thereof or its property is subject; and (c) when executed and delivered by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 4.2 **Representations and Warranties.** "The Obligors represent and warrant that, after giving effect to this Amendment, each of the representations and warranties made by the Parent and each Borrower in **Section 9** of the Amended Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date, including without limitation, any disclosures made as of the Closing Date that are set forth in the schedules attached to the Loan Agreement. The Obligors represent and warrant that no event or condition that has occurred since the Closing Date that affects the accuracy of such disclosures could reasonably be expected to have a Material Adverse Effect as of the Sixth Amendment Effective Date.

Section 4.3 **Loan Documents Unmodified.** All terms and provisions of the other Loan Documents shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Agreement or any of the other Loan Documents, as modified hereby or otherwise, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except to the extent provided in this Amendment. Any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations of the Obligors under the Loan Documents.

Section 4.4 **Event of Default.** A breach of this Amendment shall be an Event of Default.

Section 4.5 **Parties, Successors and Assigns.** This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 4.6 **Counterparts.** This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 4.7 **Headings.** The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 4.8 **Expenses of Agent.** Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent's legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent's legal counsel.

Section 4.9 **Choice of Law; Jury Trial Waiver.** THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF **SECTIONS 14.15** AND **14.16** OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 4.10 **Release.**

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF
ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF

ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN ADDITION TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS

Section 4.11 **Total Agreement.** This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof and thereof, and shall not be changed or terminated orally.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first written above.

PARENT:

PROMETHEAN WORLD LIMITED,
a company incorporated in England and Wales
with company number 07118000

By: _____
Name: Allyson G. Krause
Title: Director

BORROWERS:

PROMETHEAN INC.,
a Delaware corporation

By: _____
Name: Allyson G. Krause
Title: Director - Vice President

PROMETHEAN LIMITED,
a company incorporated in England and Wales
with company number 01308938

By: _____
Name: Allyson G Krause
Title: Director

AGENT AND LENDERS:

BANK OF AMERICA, N.A.,
as Agent and Lender

By: /s/ Tyler Sims

Name: Tyler Sims

Title: Senior Vice President

ACKNOWLEDGMENT AND CONSENT BY GUARANTORS

Each of the undersigned (each, a "Guarantor") consents to the foregoing Sixth Amendment to Loan Agreement, the Loan Agreement and other Loan Documents and the transactions contemplated thereby and reaffirms its obligations under the Loan Documents to which it is a party, including but not limited to that certain Continuing and Unconditional Guaranty dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of June 25, 2018, that certain Pledge Agreement dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of January 19, 2023, as such documents may be amended, modified, supplemented or replaced from time to time.

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Loan Documents are separate and distinct from the Borrowers' obligations and reaffirms its waivers of each and every one of the possible defenses to such obligations.

[Signature Page Follows]

Agreed and Acknowledged:

PROMETHEAN WORLD LIMITED,
a company incorporated in England and Wales with company number 07118000

By: Allyson Krause
Name: Allyson B. Krause
Title: Director

PROMETHEAN (HOLDINGS) LIMITED,
a company incorporated in England and Wales with company number 2359658

By: Allyson Krause
Name: Allyson B. Krause
Title: Director

CHALKFREE LIMITED,
a company incorporated in England and Wales with company number 5227933

By: Allyson Krause
Name: Allyson B. Krause
Title: Director

Execution Version

SEVENTH AMENDMENT
TO LOAN AND SECURITY AGREEMENT

This **SEVENTH AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "Amendment") is dated as of October 18, 2023, and is entered into by and among **PROMETHEAN WORLD LIMITED**, a company incorporated in England and Wales with company number 07118000 ("Parent"), **PROMETHEAN INC.**, a Delaware corporation ("Promethean U.S."), **PROMETHEAN LIMITED**, a company incorporated in England and Wales with company number 01308938 ("Promethean U.K.," and together with Promethean U.S., each, a "Borrower" and collectively, the "Borrowers"), the financial institutions party to this Agreement from time to time as Lenders, and **BANK OF AMERICA, N.A.**, a national banking association ("Bank of America"), as agent and security trustee for the Lenders ("Agent").

RECITALS

A. **WHEREAS**, Borrowers, Lenders and Agent have previously entered into that certain Loan and Security Agreement, dated as of June 25, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), pursuant to which the Lenders agreed to make loans and extend other financial accommodations to the Obligors;

B. **WHEREAS**, the Obligors have requested that the Agent and Lenders amend the Loan Agreement in certain respects; and

C. **WHEREAS**, the Agent and Lenders are willing to amend the Loan Agreement in certain respects, on the terms and subject to the conditions contained in this Amendment.

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual conditions and agreements set forth in the Loan Agreement and this Amendment, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Initially capitalized terms used but not otherwise defined in this Amendment have the respective meanings given thereto in the Loan Agreement, as amended hereby.

Section 1.2 Recitals. The Recitals above are incorporated herein as though set forth in full and the Obligors stipulate to the accuracy of each of the Recitals.

ARTICLE II AMENDMENTS TO LOAN AGREEMENT

Section 2.1 Existing Definitions. The definitions in **Section 1.1** of the Loan Agreement set forth below are deleted and replaced as follows:

Availability Reserve: the sum (without duplication) of (a) the Rent and Charges Reserve; (b) the Bank Product Reserve; (c) the aggregate amount of liabilities secured by Liens upon Collateral that are or may be senior to Agent's Liens (but imposition of any such reserve shall not waive an Event of Default arising therefrom); (d) the Dilution Reserve; (e) the U.K. Priority Payables Reserve; (f) the 2018 Subordinated Debt Payment Reserve; (g) the Inventory Reserve; (h) the Availability Block; and (i) such additional reserves, in such amounts and with respect to such matters, as Agent in its Permitted Discretion may elect to impose from time to time.

Applicable Margin: the margin set forth below, as determined by the trailing 4 Fiscal Quarter Fixed Charge Coverage Ratio measured as of the end of the most recently ended Fiscal Quarter:

Level	Fixed Charge Coverage Ratio	Base Rate Loans	Foreign Base Rate Loans	BSBY Revolver Loans	Letter of Credit Fees
I	≥ 1.75:1.00	0.90%	1.90%	1.90%	1.90%
II	< 1.75:1.00 and ≥ 1.25:1.00	1.10%	2.10%	2.10%	2.10%
III	< 1.25:1.00	1.30%	2.30%	2.30%	2.30%

Margins shall be subject to increase or decrease by Agent on the first day of the calendar month following each Fiscal Quarter end. If Agent is unable to calculate Fixed Charge Coverage Ratio for a Fiscal Quarter due to Borrowers' failure to deliver any financial statement when required hereunder, then, at the option of Agent or Required Lenders, margins shall be determined as if Level III were applicable until the first day of the calendar month following its receipt.

EBITDA: determined on a consolidated basis for Borrowers and Subsidiaries, net income, calculated before interest expense, provision for income taxes, depreciation and amortization expense, gains or losses

arising from the sale of capital assets, gains arising from the write-up of assets, any

extraordinary gains and losses and any one-time costs and expenses not to exceed $10,000,000 in the aggregate in any period of measurement and approved by Agent in its discretion (in each case, to the extent included in determining net income).

Financial Covenant Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of $5,000,000 or 10% of the Borrowing Base then in effect; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than the greater of
$5,000,000 and 10% of the Borrowing Base then in effect.

Payment Conditions: with respect to any investments, Distributions, payment of Debt, (i) both before and after giving effect to any such transaction and giving pro forma effect to the applicable transaction, no Default or Event of Default has occurred and is continuing or would arise as a result of the applicable transaction, (ii) after giving pro forma effect to the applicable transaction Availability shall not be less than the greater of
$7,500,000 and 15% of the Borrowing Base then in effect for each of the 30 days immediately prior to the consummation of such transaction and immediately after giving effect thereto and (iii) the Fixed Charge Coverage Ratio as of the most recent four (4) Fiscal Quarter period ended for which financial statements pursuant to **Section 10.1.2** were required to have been delivered shall not be less than 1.00:1.00.

Permitted Contingent Obligations: Contingent Obligations (a) arising from endorsements of Payment Items for collection or deposit in the Ordinary Course of Business; (b) arising from Hedging Agreements permitted hereunder; (c) existing on the Closing Date, and any extension or renewal thereof that does not increase the amount of such Contingent Obligation when extended or renewed; (d) incurred in the Ordinary Course of Business with respect to surety, appeal or performance bonds, or other similar obligations; (e) arising from customary indemnification obligations in favor of purchasers in connection with dispositions of Equipment permitted hereunder; (f) arising under the Loan Documents; (g) arising under the Parent Guaranty; or (h) in an aggregate amount of $500,000 or less at any time.

Reporting Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of (x)
$7,500,000 or 15% of the Borrowing Base then in effect for 5 consecutive days at any time the Revolver Commitments are $74,000,000 or greater and (y)
$5,000,000 or 15% of the Borrowing Base then in effect for 5 consecutive days at any time the Revolver Commitments are less than $74,000,000; and

(b) continuing until, during each of the preceding 60 consecutive days, no Event

of Default has existed and Availability has been more than the greater of $5,000,000 and 15% of the Borrowing Base then in effect.

Trigger Period: the period (a) commencing on any day that (i) an Event of Default occurs, or (ii) Availability is less than the greater of (x) $7,500,000 or 15% of the Borrowing Base then in effect at any time the Revolver Commitments are $74,000,000 or greater and (y) $5,000,000 or 15% of the Borrowing Base then in effect at any time the Revolver Commitments are less than $74,000,000; and (b) continuing until, during each of the preceding 60 consecutive days, no Event of Default has existed and Availability has been more than the greater of $5,000,000 and 10% of the Borrowing Base then in effect.

U.K. LC Sublimit: $5,000,000.

U.S. LC Sublimit: $10,000,000.

U.K. Sublimit: commencing on the Seventh Amendment Effective Date and continuing until and including March 31, 2024, $15,000,000 and thereafter, $10,000,000, in each case, subject to Reallocation under **Section 2.2**.

Unused Line Fee Rate: a per annum rate equal to (a) 0.350%, if average daily Revolver Usage was 50% or less of the Revolver Commitments during the preceding calendar month, or (b) 0.250%, if average daily Revolver Usage was more than 50% of the Revolver Commitments during such month.

U.S. Sublimit: commencing on the Seventh Amendment Effective Date and continuing until and including March 31, 2024, $59,000,000 and thereafter, $40,000,000, in each case, subject to Reallocation under **Section 2.2.**

Section 2.2 **U.S. Inventory Formula Amount.** Clause (a) of the definition of "U.S. Inventory Formula Amount" is hereby amended and restated to read as follows:

(a) commencing on the Seventh Amendment Effective Date and continuing until and including March 31, 2024, $50,000,000 and thereafter, $35,000,000.

Section 2.3 **New Definitions**. The following definitions are added to **Section 1.1** of the Loan Agreement in the appropriate alphabetical place:

Availability Block: $3,000,000; which so long as no Default or Event of Default exists, such amount shall be reduced to $0 upon delivery of financial statements and a corresponding Compliance Certificate in accordance with the terms here which reflect that Borrower has achieved a Fixed Charge Coverage Ratio of 1.25:1.00, measured on a trailing twelve month basis.

GEHI: Gravitas Education Holdings Limited, a company organized under the laws of the Cayman Islands.

Parent Guaranty: guaranty executed by Parent in favor of Wilmington Savings Fund Society, FSB with respect to convertible debt incurred by Gravitas Educational Holdings, Inc. to various noteholders in the aggregate amount of $65,000,000, which obligations under such guaranty are subordinated to the Obligations in accordance with a subordination agreement in form and substance satisfactory to Agent.

Permitted Distributions: (i) Distributions made so long as immediately before and after giving effect thereto, no Default or Event of Default exists and the aggregate outstanding amount thereof, together with outstanding loans and advances made pursuant to **Section 10.2.7(d)** do not exceed
$5,000,000 at any time and (ii) other Distributions so long as the Payment Conditions are satisfied with respect to each such other Distribution.

Seventh Amendment Effective Date: October 18, 2023.

U.K. Inventory Formula Amount: the lesser of:

(a) $15,000,000, and

(b) the lesser of:

(y) 65% of the Value of Eligible Inventory of Promethean U.K. located in the Dutch Warehouse or

(z) 85% of the NOLV Percentage of the Value of Eligible Inventory of Promethean U.K. located in the Dutch Warehouse.

GAAP: generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination.

Section 2.4 Further Amendments. The Loan Agreement is further amended as follows:

(i) **Section 3.2.2** of the Loan Agreement is deleted and replaced with the following:

3.2.2 **LC Facility Fees**. Borrowers shall pay (a) to Agent, for the Pro Rata benefit of Lenders, a fee equal to the Applicable Margin for Letters of Credit times the average daily Stated Amount of Letters of Credit, which fee shall be payable

monthly in arrears, on the first day of each month; (b) to Agent, for its own account,

a fronting fee at the rate of 0.125% per annum on the Stated Amount of each Letter of Credit, payable monthly in arrears on the first day of each month; and (c) to Issuing Bank, for its own account, all customary charges associated with the issuance, amending, negotiating, payment, processing, transfer and administration of Letters of Credit, which charges shall be paid as and when incurred. During an Event of Default, the fee payable under clause (a) shall be increased by 2% per annum.

(ii) **Section 9.1.4** of the Loan Agreement is deleted and replaced with the following:

9.1.4 **Capital Structure**. As of the Seventh Amendment Effective Date, **Schedule 9.1.4** shows, for Parent and each Subsidiary, its name, jurisdiction of organization or incorporation, authorized and issued Equity Interests, holders of its Equity Interests, and agreements binding on such holders with respect to such Equity Interests. Except as disclosed on **Schedule 9.1.4**, in the five years preceding the Seventh Amendment Effective Date, neither Parent nor any Subsidiary has acquired any substantial assets from any other Person nor been the surviving entity in a merger or combination. Parent has good title to its Equity Interests in its Subsidiaries, subject only to Agent's Lien, and all such Equity Interests are duly issued, fully paid and non-assessable. There are no outstanding purchase options, warrants, subscription rights, agreements to issue or sell, convertible interests, phantom rights or powers of attorney relating to Equity Interests of Parent or any Subsidiary.

(iii) **Sections 10.1.2(a)** and **(b)** of the Loan Agreement are deleted and replaced with the following:

(a) as soon as available, and in any event within 120 days after the close of each Fiscal Year, balance sheets as of the end of such Fiscal Year and the related statements of income, cash flow and shareholders equity for such Fiscal Year, on consolidated and consolidating bases for GEHI and its Subsidiaries, which statements shall be audited and certified (without qualification) by a firm of independent certified public accountants of recognized standing selected by GEHI and acceptable to Agent, and shall set forth in comparative form corresponding figures for the preceding Fiscal Year and other information acceptable to Agent;

(b) as soon as available, and in any event within 30 days after the end of each month, unaudited balance sheets as of the end of such month and the related statements of income and cash flow for such month and for the portion of the Fiscal Year then elapsed, on consolidated and consolidating bases for Parent and Subsidiaries, setting forth in comparative form corresponding figures for the preceding Fiscal Year and certified by the chief financial officer of Borrower Agent as prepared in accordance with IFRS and fairly presenting the financial position and results of operations for such month and period, subject to normal year-end adjustments and the absence of footnotes; provided, that statements of cash flow shall only be

delivered with the monthly financial statements delivered for the last month of each Fiscal Quarter;

(iv) **Section 10.2.4** of the Loan Agreement is deleted and replaced with the following:

10.2.4 **Distributions; Upstream Payments**. Declare or make any Distributions, except Upstream Payments, and Permitted Distributions; or create or suffer to exist any encumbrance or restriction on the ability of a Subsidiary to make any Upstream Payment, except for restrictions under the Loan Documents, under Applicable Law or in effect on the Closing Date as shown on **Schedule 9.1.15**.

(v) **Section 10.2.7** of the Loan Agreement is deleted and replaced with the following:

10.2.7 **Loans**. Make any loans or other advances of money to any Person, except
(a) advances to an officer or employee for salary, travel expenses, commissions and similar items in the Ordinary Course of Business; (b) prepaid expenses and extensions of trade credit made in the Ordinary Course of Business; (c) deposits with financial institutions permitted hereunder; and (d) intercompany loans to its Subsidiaries and Affiliates, so long as immediately before and after giving effect thereto, no Default or Event of Default exists and the aggregate outstanding amount thereof, together with Distributions made under clause (i) of the definition thereof does not exceed $5,000,000 at any time.

(vi) **Section 10.2.10** of the Loan Agreement is deleted and replaced with the following:

10.2.10 Subsidiaries. Form or acquire any Subsidiary after the Closing Date, except in accordance with **Sections 10.1.9**, **10.2.5** and **10.2.9**; or permit any existing Subsidiary to issue any additional Equity Interests except to the existing holders of its Equity Interests.

(vii) **Section 10.2.11** of the Loan Agreement is deleted and replaced with the following:

10.2.11 **Organic Documents**. Amend, modify or otherwise change any of its Organic Documents, except in connection with a transaction permitted under **Section 10.2.9** or any amendment, modification or other change which has no adverse impact on the interests of the Secured Parties or the rights and remedies of the Secured Parties under the Loan Documents.

(viii) **Section 10.2.17** of the Loan Agreement is deleted and replaced with the following:

10.2.17 **Affiliate Transactions**. Enter into or be party to any transaction with an Affiliate, except (a) transactions expressly permitted by the Loan Documents; (b) payment of reasonable compensation to officers and employees for services actually rendered, and payment of customary directors' fees and indemnities; (c) transactions solely among Borrowers; (d) transactions with Affiliates consummated prior to the Closing Date, as shown on **Schedule 10.2.17**; (e) transactions with

Affiliates in the Ordinary Course of Business, upon fair and reasonable terms fully disclosed to Agent and no less favorable than would be obtained in a comparable arm's-length transaction with a non-Affiliate and (f) transactions with Affiliates which are permitted under **Section 10.2.4** or **10.2.7**.

(ix) **Schedule 1.1** of the Loan Agreement is deleted and replaced with **Schedule 1.1** attached hereto.

(x) Effective on October 18, 2023, all references in the Loan Documents to "IFRS" shall be deleted and replaced with a reference to "GAAP".

ARTICLE III

CONDITIONS PRECEDENT AND POST-CLOSING REQUIREMENTS

Section 3.1 Conditions Precedent. The parties hereto agree that the amendments set forth herein shall not be effective until the satisfaction of each of the following conditions precedent (such date shall be referred to as the "Seventh Amendment Effectiveness Date"):

(a) The representations and warranties contained herein and in the Loan Agreement shall be true and correct in all material respects as of the date hereof as if made on the date hereof, except for such representations and warranties limited by their terms to a specific date, including without limitation, any disclosures made as of the Closing Date that are set forth in the schedules attached to the Loan Agreement;

(b) No Default or Event of Default shall have occurred and be continuing;

(c) The Obligors have delivered to the Agent, in form and substance acceptable to the Agent in its sole discretion, an executed original of this Amendment; and

(d) The Obligors shall have paid to the Agent the fees, costs, and expenses owed to and/or incurred by the Agent arising in connection with this Amendment (including the Amendment Fee and reasonable attorneys' fees and costs).

ARTICLE IV

ADDITIONAL COVENANTS AND MISCELLANEOUS

Section 4.1 Acknowledgment of the Obligors. The Obligors hereby represent and warrant that the execution and delivery of this Amendment and compliance by Obligors with all of the provisions of this Amendment: (a) are within the powers and purposes of the Obligors; (b) have been duly authorized or approved by the board of directors or managers of the Obligors; (c) do not conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Obligor is a party or affecting it, or the properties of such Obligor or any subsidiary thereof, or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Obligor or any subsidiary thereof or its property is subject; and (c) when executed and delivered

by or on behalf of the Obligors, will constitute valid and binding obligations of each Obligor, enforceable in accordance with their terms. Each Obligor reaffirms its obligation to pay all amounts due to the Agent and the Lenders under the Loan Documents in accordance with the terms thereof, as modified hereby.

Section 4.2 Representations and Warranties. "The Obligors represent and warrant that, after giving effect to this Amendment, each of the representations and warranties made by the Parent and each Borrower in **Section 9** of the Amended Loan Agreement is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), in each case on and as of the date hereof as if made on and as of the date hereof, except in the case of any such representation or warranty that expressly relates to an earlier date, in which case such representation or warranty is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date, including without limitation, any disclosures made as of the Closing Date that are set forth in the schedules attached to the Loan Agreement. The Obligors represent and warrant that no event or condition that has occurred since the Closing Date that affects the accuracy of such disclosures could reasonably be expected to have a Material Adverse Effect as of the Seventh Amendment Effective Date.

Section 4.3 Loan Documents Unmodified. All terms and provisions of the other Loan Documents shall remain in full force and effect. Nothing contained in this Amendment shall in any way impair the validity or enforceability of the Loan Agreement or any of the other Loan Documents, as modified hereby or otherwise, or alter, waive, annul, vary, affect, or impair any provisions, conditions, or covenants contained therein or any rights, powers, or remedies granted therein, except to the extent provided in this Amendment. Any lien and/or security interest granted to the Agent in the Collateral set forth in the Loan Documents shall remain unchanged and in full force and effect and shall continue to secure the payment and performance of all of the obligations of the Obligors under the Loan Documents.

Section 4.4 Event of Default. A breach of this Amendment shall be an Event of Default.

Section 4.5 Parties, Successors and Assigns. This Amendment shall be binding upon the Obligors and shall inure to the benefit of the Lender and its respective successors and assigns.

Section 4.6 Counterparts. This Amendment may be executed in one or more counterparts and by telecopy, each of which, when so executed, shall be deemed to be an original, but all of which, when taken together shall constitute one and the same instrument.

Section 4.7 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only, are not a part of this Amendment, and shall not affect the interpretation hereof.

Section 4.8 Expenses of Agent. Without limiting the terms and conditions of the Loan Documents, each Obligor agrees to pay on demand: (a) all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all subsequent amendments, modifications, and supplements hereto or thereto, including without limitation, the costs and fees of the Agent's legal counsel; and (b) all costs and expenses reasonably incurred by the Agent in connection with the enforcement or preservation of any rights under the Loan Agreement, this Amendment, and/or the other Loan Documents, including without limitation, the costs and fees of the Agent's legal counsel.

Section 4.9 Choice of Law; Jury Trial Waiver. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAW PRINCIPLES EXCEPT FEDERAL LAWS RELATING TO NATIONAL BANKS. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO A TRIAL BY JURY, IF ANY, IN ANY ACTION TO ENFORCE, DEFEND, INTERPRET, OR OTHERWISE CONCERNING THIS AMENDMENT. WITHOUT LIMITING THE APPLICABILITY OF ANY OTHER PROVISION OF THE LOAN AGREEMENT, THE TERMS OF **SECTIONS 14.15** AND **14.16** OF THE LOAN AGREEMENT SHALL APPLY TO THIS AMENDMENT.

Section 4.10 Release.

(a) EACH OBLIGOR HEREBY IRREVOCABLY RELEASES AND FOREVER DISCHARGES AGENT, LENDERS AND THEIR AFFILIATES, AND EACH SUCH PERSON'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, MEMBERS, ATTORNEYS AND REPRESENTATIVES (EACH, A "RELEASED PERSON") OF AND FROM ALL DAMAGES, LOSSES, CLAIMS, DEMANDS, LIABILITIES, OBLIGATIONS, ACTIONS OR CAUSES OF ACTION WHATSOEVER (EACH A "CLAIM") THAT SUCH OBLIGOR MAY NOW HAVE OR CLAIM TO HAVE AGAINST ANY RELEASED PERSON ON THE DATE OF THIS AMENDMENT, WHETHER KNOWN OR UNKNOWN, OF EVERY NATURE AND EXTENT WHATSOEVER, FOR OR BECAUSE OF ANY MATTER OR THING DONE, OMITTED OR SUFFERED TO BE DONE OR OMITTED BY ANY OF THE RELEASED PERSONS THAT BOTH (1) OCCURRED PRIOR TO OR ON THE DATE OF THIS AMENDMENT AND (2) IS ON ACCOUNT OF OR IN ANY WAY CONCERNING, ARISING OUT OF OR FOUNDED UPON THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT. THE FOREGOING DOES NOT RELEASE ANY RELEASED PERSON FROM THE CONTINUING PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AMENDMENT OR THE OTHER LOAN DOCUMENTS ON OR AFTER THE DATE HEREOF.

(b) EACH OBLIGOR INTENDS THE ABOVE RELEASE TO COVER, ENCOMPASS, RELEASE, AND EXTINGUISH, INTER ALIA, ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION THAT MIGHT OTHERWISE BE RESERVED BY THE CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EACH OBLIGOR ACKNOWLEDGES THAT IT MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM OR IN addition TO THOSE NOW KNOWN OR BELIEVED TO BE TRUE WITH RESPECT TO SUCH CLAIMS, DEMANDS, OR CAUSES OF ACTION, AND AGREES THAT THIS AMENDMENT AND THE ABOVE RELEASE ARE AND WILL REMAIN EFFECTIVE IN ALL RESPECTS NOTWITHSTANDING ANY SUCH DIFFERENCES OR ADDITIONAL FACTS

Section 4.11 Total Agreement. This Amendment, the Loan Agreement, and all other Loan Documents shall constitute the entire agreement between the parties relating to the subject matter hereof and thereof, and shall not be changed or terminated orally.

[Remainder of Page Intentionally Left Blank]

PARENT: PROMETHEAN WORLD LIMITED,
a company incorporated in England and Wales with company number 07118000

By = _____ Name Ko!!/se-

Title: --..;...._ '--"""-..'---. _

BORROWERS: PROMETHEAN INC.,
a Delaware corporation

_____ BNyam:

Title:=

PROMETHEAN LIMITED,
a company incorporated in Wales and England with company number 01308938

By: Nam S'e.

Title:

AGENT AND LENDERS: BANK OF AMERICA, N.A.,


as Agent and L nd /

By: ------ --

Name: _-1-,q:.....<,..:;le=r--=-=-i=m=s__

Title: ---=-=S=e.n.i.o.r.eV...i.ce=Pe.r.e.s.i.d.e=n=t=-=--

ACKNOWLEDGMENT AND CONSENT BY GUARANTORS

Each of the undersigned (each, a "Guarantor") consents to the foregoing Seventh Amendment to Loan Agreement, the Loan Agreement and other Loan Documents and the transactions contemplated thereby and reaffirms its obligations under the Loan Documents to which it is a party, including but not limited to that certain Continuing and Unconditional Guaranty dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of June 25, 2018, that certain Pledge Agreement dated as of June 25, 2018 and that certain Guarantee and Debenture dated as of January 19, 2023, as such documents may be amended, modified, supplemented or replaced from time to time.

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Loan Documents are separate and distinct from the Borrowers' obligations and reaffirms its waivers of each and every one of the possible defenses to such obligations.

[Signature Page Follows]

Agreed and acknowledged: **PROMETHEAN WORLD LIMITED,**

By: Allyson Krause
Name: Allyson G. Krause
Title: Director

a company incorporated in England and Wales with company number 07118000

PROMETHEAN (HOLDINGS) LIMITED,
a company incorporated in England and Wales with company number 2359658

By: Allyson Krause
Name: Allyson. G. Krause
Title: Director

CHALKFREE LIMITED,

Allyson Krause

a company incorporated in England and Wales with com any number 5227933

By:
Name: 6. ,t-:r·aaSrL
Director
Title::

SCHEDULE 1.1
to
Loan and Security Agreement

Commencing on the Seventh Amendment Effective Date and continuing until and including March 31, 2024:

Lender	Revolver Commitments
Bank of America, N.A.	$74,000,000

Commencing on April 1, 2024 and thereafter:

Lender	Revolver Commitments
Bank of America, N.A.	$50,000,000

Exhibit 8.1

List of Principal Subsidiaries

Name of Subsidiary	**Place of Incorporation**
Elmtree Inc.	Cayman Islands
Promethean World Limited	England and Wales
Chalkfree Limited	England and Wales
Promethean (Holdings Limited #)	England and Wales
Promethean Inc.	Delaware, USA
Edmodo LLC	Delaware, USA
Promethean SAS	France
Promethean Technology (Shenzen) Limited	China
Promethean Poland sp. z.o.o.	Poland
Promethean Limited	England and Wales
Promethean GmbH	Germany
Promethean Solutions LLP	India
Global Eduhub Holding (85% owned)	Hong Kong
Global Edu (SG) Holding PTE Limited	Singapore

Exhibit 11.1

mynd.ai

INSIDER TRADING POLICY

APPROVED: December 13, 2023

1. Purpose

Mynd.ai, Inc. (collectively with its subsidiaries, the "***Company***") is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, the Company has adopted this Insider Trading Policy (this "***Policy***") with respect to Transactions (as defined below) in the Company's Securities (as defined below), as well as the Securities of publicly traded companies with which the Company has a business relationship, for the purpose of promoting compliance with applicable laws, rules and regulations by its directors, officers, employees and designated contractors. Refer to Section 12 below for the definitions of capitalized terms used throughout this Policy.

Federal and state securities laws prohibit the purchase or sale of a company's Securities by anyone who is aware of MNPI. These laws also prohibit anyone who is aware of MNPI from disclosing this information to others who may trade. Companies and their controlling persons (for instance, directors and officers) may also be subject to liability if they fail to take reasonable steps to prevent insider trading by Company personnel.

The adverse consequences for insider trading violations can be staggering and include potential criminal and civil liability and/or disciplinary action. Penalties for insider trading include fines of up to $5.0 million, jail sentences of up to twenty (20) years and civil penalties of up to three (3) times the profit gained or loss avoided. The Securities and Exchange Commission ("***SEC***") has imposed large penalties even when an individual did not profit from the trading or disclosure. The SEC, stock exchanges and the Financial Industry Regulatory Authority use sophisticated electronic surveillance techniques to uncover insider trading, and there is a very high likelihood that federal or other regulatory authorities will detect and prosecute insider trading violations involving even small dollar amounts.

Individuals who violate this Policy shall be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company's equity plans or termination of employment for cause. In addition, if the Company becomes aware of a violation of this Policy, the Company may inform the appropriate governmental authorities. In determining consequences resulting from a violation of this Policy, the Compliance Officer will consider a number of factors, including, but not limited to, the individual's culpability, cooperation with the investigation, the individual's past violations, if any, consistency with consequences for other violations, if any, the availability of restitution, penalties assessed by regulators, the need for deterrence and extent of the harm to the Company, including the impact on Company culture.

2. Scope

This Policy applies to all directors, officers, employees or designated contractors of the Company or its subsidiaries (each, a "***Covered Person,***" or "***you***").

This Policy also applies to each Covered Person's family members who reside with them, anyone else who lives in such Covered Person's household, and any family members who do not live in the Covered Person's household but whose Transactions in Securities are directed, influenced or controlled by such Covered Person (such as parents or children who consult with the Covered Person before they trade in Securities) (collectively, "***Covered Family Members***"). In addition, this Policy applies to all corporations, partnerships, limited liability companies, trusts and other entities whose Transactions in Securities are directed, influenced or controlled by any Covered Person. All such Covered Family Members and entities are considered Covered Persons for purposes of this Policy to the same extent as if they were directors, officers, employees or designated contractors, as applicable, of the Company or its subsidiaries.

The portions of this Policy relating to trading while in possession of MNPI, and the disclosure of that information to others, continue to apply to Transactions in Securities even after termination of employment or association with the Company, if the MNPI was obtained as the result of your

role as a Covered Person. In addition, if you are subject to a Blackout Period, you must abide by the applicable trading restrictions until at least the end of each applicable trading restriction.

3. Material Non-Public Information

For purposes of this policy, "***material non-public information***" *or* "***MNPI***" means any Material information about a company that is non-public.

Information is "***Material***" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, hold or sell Securities. Any information that could reasonably be expected to affect the price of the Security is Material. The information may be positive or negative. Common examples of information that may be Material include:

- information regarding financial results, financial condition and financial forecasts, including estimates of financial results or changes in previously announced estimates of financial results;
- significant proposed mergers, acquisitions, investments or divestitures;
- gain or loss of significant customers or suppliers;
- entry into, renewal, termination or changes to significant contracts;
- layoffs or restructurings;
- cybersecurity incidents and data breaches;
- developments in significant litigation or government investigations;
- public or private debt or equity offerings;
- significant changes in senior management or board of directors;
- new product or service offerings; or
- capital allocation developments, such as share repurchases and dividends.

It is not possible to define all categories of Material information, and you should recognize that the public, the media and the courts may use hindsight in judging what is Material. Further, the Materiality of particular information is subject to reassessment on a regular basis. Therefore, it is important to "play it safe" and assume information is Material if you are in doubt and consult with the Compliance Officer.

Information is "***Non-Public***" until the information is broadly disseminated in a manner sufficient to ensure its availability to the investing public generally, without favoring any special person or group. Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or an SEC filing) and the investing public has had time to absorb and evaluate it. Ordinarily, information about the Company should not be considered public until at least two full trading days have passed following its formal release to the market.

4. Transacting in Securities While in Possession of MNPI Is Prohibited

1.1 You are prohibited from engaging in any Transaction in the Company's Securities while aware of MNPI about the Company. It makes no difference whether or not you relied upon or used MNPI in deciding to trade—if you are aware of MNPI about the Company, the prohibition applies.

1.2 You are also prohibited from engaging in Transactions in Securities of other publicly traded companies with which the Company has a business relationship while aware of MNPI about those companies learned in connection with your role as a Covered Person. Such MNPI may include, but is not limited to, negotiations over mergers, acquisitions, divestitures or renewal or termination of significant contracts or other arrangements.

1.3 These prohibitions do **not** apply to:

1.1.1 Transactions made pursuant to a 10b5-1 Plan meeting the requirements of Section 9 below.

1.1.2 The exercise of stock options or option-like awards if the exercise price is paid in cash or through the Company withholding a portion of the shares underlying the options.

1.1.3 The Company's withholding of Securities underlying equity awards to satisfy tax withholding requirements.

1.1.4 Transfers by will or the laws of descent and distribution or transfers for tax-planning purposes in which your beneficial ownership and pecuniary interest in the transferred Securities does not change.

1.1.5 *Bona fide* gifts of the Company's Securities, unless you have reason to believe that the recipient intends to Transact in the Company's Securities while you are aware of MNPI about the Company, or you are subject to a Blackout Period and you have reason to believe the recipient intends to Transact in the Company's Securities during such Blackout Period.

5. Disclosure of MNPI Is Prohibited; No "Tipping"

You may not disclose MNPI about the Company or any other publicly traded company with which the Company has a business relationship learned in connection with your role as a Covered Person to others, make recommendations or express opinions to others about investments in or the prospects of the Company or those companies while in possession of this information, or otherwise make unauthorized disclosure or use of this information (collectively, "***Tipping***"). Tipping can result in legal liability and consequences under this Policy even if you did not benefit from the resulting Transaction.

Any written or verbal statement that would be prohibited under the law or under this Policy is equally prohibited if made on the internet or through social media platforms, regardless of whether Covered Persons use their own name or a pseudonym, including the disclosure of MNPI about the Company or with respect to other publicly traded companies with which the Company has a business relationship that you learn in connection with your role as a Covered Person.

6. Other Prohibited Transactions

You may not:

1.1 Engage in short sales of the Company's Securities (sales of Securities that are not then owned), including "sales against the box" (short sales not exceeding the number of shares already owned).

1.2 Trade in derivatives of the Company's Securities, such as exchange-traded put or call options and forward transactions.

1.3 Purchase any financial instruments (such as prepaid variable forward contracts, equity swaps, collars or exchange funds) or otherwise engage in any transactions that hedge or offset any decrease in the market value of the Company's Securities or limit your ability to profit from an increase in the market value of the Company's Securities.

1.4 Hold the Company's Securities in a margin account or pledge the Company's Securities as collateral for a loan.

1.5 Except under a 10b5-1 Plan meeting the requirements of Section 9 below, establish standing or limit orders for Transactions in the Company's Securities for more than three (3) business days, and any such Transactions must otherwise comply with the restrictions and procedures of this Policy.

7. Blackout Periods; Preclearance of Transactions; Other Compliance Procedures

Except under a 10b5-1 Plan meeting the requirements of Section 9 below:

1.1 No Covered Person may engage in Transactions in the Company's Securities during a Semi-Annual Blackout Period regardless of whether they are actually aware of MNPI during that period.

"***Semi-Annual Blackout Periods***" are in effect with respect to each semi-annual announcement of financial results, starting on the forty-fifth day before the end of the then current semi-annual fiscal period (provided, if the 45th day of the month is not a business day, then the next business day) and ending when two (2) full trading days have passed following the public announcement of the Company's semi-annual financial results for such period.

The Compliance Officer will notify Covered Persons by email when the Semi-Annual Blackout Period begins and ends. Even if you have not been notified, you must not Transact in the Company's Securities during the Semi-Annual Blackout Period. If you have questions about a Semi-Annual Blackout Period, you should consult the Compliance Officer.

1.2 In addition to Semi-Annual Blackout Periods, from time to time the Compliance Officer may decide to impose a "***Special Blackout Period***" for Covered Persons who are aware of particular information that the Compliance Officer considers likely to be MNPI. A Special Blackout Period may be imposed in connection with a potential acquisition, anticipated positive or negative announcements of financial results, cybersecurity incidents, or other potentially Material developments. The Compliance Officer will determine on an ongoing basis who is subject to a Special Blackout Period and notify such individuals. Even if you have not been notified, if you reasonably believe you are or should be subject to a Special Blackout Period, you must adhere to the following prohibition. If you are subject to a Special Blackout Period, you may not engage in Transactions in the Company's Securities until notified by the Compliance Officer that the Special Blackout Period has ended.

Any person made aware of a Special Blackout Period should not disclose the existence of the Special Blackout Period to anyone else. If you have questions about a Special Blackout Period, you should consult the Compliance Officer.

1.3 Preclearance of Transactions and 10b5-1 Plans; Related Procedures

1.1.1 Prior to directly or indirectly engaging in, or entering into or modifying a 10b5-1 Plan for engaging in, Transactions in the Company's Securities

(collectively, "***Preclearance Events***") each of the Company's directors or "officers" (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "***Exchange Act***")), and each of such persons, Covered Family Members and entities (to the extent they are also considered Covered Persons for purposes of this Policy) (collectively, "***Preclearance Persons***") must submit a request for preclearance to the Compliance Officer. The Preclearance Person will be permitted to proceed only after (i) submitting at least three (3) days prior to any desired Preclearance Event a certification that the Preclearance Person is not in possession of MNPI, in form attached hereto as Exhibit A, and (ii) having the request for preclearance approved by the Compliance Officer in writing or via email.

1.1.2 Covered Persons must also comply with SEC Rule 144 and all applicable reporting requirements. As such, in connection with the preclearance process, Preclearance Persons should provide to the Compliance Officer an analysis of how the proposed Preclearance Event complies with SEC Rule 144. 10b5-1 Plans for Preclearance Persons should also include a provision stating that the Preclearance Person will arrange for the electronic filing of any required Form 144 with the SEC via the EDGAR system and authorize the 10b5-1 Plan broker to notify the Company of all Transactions on the Preclearance Persons behalf.

1.1.3 If a Preclearance Event is pre-cleared in accordance with this Policy, a Preclearance Person will then have three (3) business days to effect the Preclearance Event. However, if a Preclearance Person becomes aware of MNPI or becomes subject to a Blackout Period after receiving preclearance, but before the Preclearance Event has been effected, that person must not proceed with such Preclearance Event.

1.1.4 The Compliance Officer is under no obligation to approve a request under the pre-clearance procedures provided for under this Policy and may determine to reject any request for any reason, including, but not limited to the proposed Transaction (i) exposing the Company or Covered Person to liability under any other applicable state or federal rule, regulation or law, (ii) potentially creating any appearance of impropriety, or (iii) potentially causing reputational or other harm to the Company, even if the proposed Preclearance Event would not violate the federal securities laws or a specific provision of this Policy. The Compliance Officer or a designee should consult others, as necessary, to gather information relevant to any request under this Section 7, and maintain written records of all such requests, including the certification required by Section 7.3.1, and the bases for approving such requests.

1.1.5 Approval of any request under these preclearance procedures does not insulate you from liability under the securities laws. The ultimate responsibility for determining whether an individual is in compliance with the securities law rests with that individual in all cases.

1.4 Other Procedures

1.1.1 In communicating MNPI to Covered Persons, all Covered Persons must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information. This includes taking precautions to prevent unauthorized disclosure of MNPI about the Company in accordance with such other policies. Prohibitions and procedures relating to the internal

and external dissemination of MNPI are addressed in the Company's Corporate Communications Policy and related employment policies.

1.1.2 The Company shall no less than annually provide training programs designed to promote compliance with insider trading laws and this Policy. Participation by Covered Persons (excluding Covered Family Members and entities considered Covered Persons for purposes of this Policy) in such programs is mandatory.

1.1.3 As appropriate and directed by the Compliance Officer, Covered Persons will be required to complete and sign or confirm electronically an Insider Trading Policy Acknowledgement substantially in the form attached as Exhibit B. Each such acknowledgement shall form a part of the certifying individual's permanent personnel file.

8. Exceptions

Transactions prohibited by Sections 4, 6, or 7 hereof may be exempted from the prohibitions set forth in this Policy if, prior to the Transaction, the Compliance Officer determines that the Transaction is not inconsistent with the purposes of this Policy and exceptional circumstances apply and communicate a specific, narrow, limited, exception to you in writing.

The existence of a personal financial emergency does not excuse you from compliance with this Policy and will not be the basis for an exception to this Policy.

9. Planned Trading Programs

1.1 10b5-1 Plans

1.1.1 It is not a violation of this Policy to Transact in the Company's Securities while you are aware of any MNPI or during a Blackout Period if: (i) the Transactions are made pursuant to a written trading plan (a "***10b5-1 Plan***") that complies with the requirements of this Policy and Rule 10b5-1(c) (as such rule and regulations may be amended from time to time by the SEC, including any SEC Staff interpretations relating thereto) ("***Rule 10b5-1***") under the Exchange Act; (ii) the 10b5-1 Plan was not entered into while you were subject to a Blackout Period; (iii) the 10b5-1 Plan contains a representation certifying that, on the date of adoption of the 10b5-1 Plan, you (a) are not aware of MNPI about the Company or its Securities and (b) adopted the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5-1 under the Exchange Act; and (iv) if required by Section 9.1.2, the 10b5-1 Plan was pre-cleared in writing in advance by the Compliance Officer; provided, however, that any and all Transactions in the Company's Securities under a 10b5-1 Plan that satisfies the conditions in clauses (i) through (iv) shall not qualify for the foregoing exception if after you have entered into the 10b5-1 Plan you fail to act in good faith with respect to it, including with respect to modifications and terminations.

1.1.2 Preclearance Persons must submit a proposed 10b5-1 Plan and any modification of a 10b5-1 Plan for preclearance in accordance with the provisions of Section 7.3 herein at least five (5) business days before the desired date of entry into or modification of such a plan.

1.2 To help demonstrate that a 10b5-1 Plan fully complies with Rule 10b5-1 and this Policy, the Company has adopted the requirements for such plans set forth on Appendix A to this Policy.

10. Transactions by the Company

The Company will not Transact in its own Securities, except in compliance with applicable securities laws.

11. Inquiries

Any questions about this Policy, its application to a proposed Transaction, or the requirements of applicable laws should be directed to the Compliance Officer at Allyson.Krause@mynd.ai or to legal@mynd.ai.

12. Definitions

As used in this Policy, the following definitions apply:

"***10b5-1 Plan***" has the meaning set forth in Section 9.1.1.

"***Blackout Period***" means a Semi-Annual Blackout Period and/or a Special Blackout Period.

"***Company***" has the meaning set forth in Section 1.

"***Compliance Officer***" for this Policy means the Company's General Counsel; provided that in the event there is no General Counsel or the General Counsel is unavailable, the Company's Chief Financial Officer shall be authorized to serve as the Compliance Officer in the interim or to designate another person as the Compliance Officer.

"***Covered Person***" has the meaning set forth in Section 2.

"***Exchange Act***" has the meaning set forth in Section 7.3.1.

"***Material Non-public Information***" or "***MNPI***" has the meaning set forth in Section 3.

"***Material***" has the meaning set forth in Section 3.

"***Non-Public***" has the meaning set forth in Section 3.

"***Policy***" has the meaning set forth in Section 1.

"***Preclearance Event***" has the meaning set forth in Section 7.3.1.

"***Preclearance Person***" has the meaning set forth in Section 7.3.1.

"***Semi-Annual Blackout Period***" has the meaning set forth in Section 7.1.

"***Rule 10b5-1***" has the meaning set forth in Section 9.1.1.

"***SEC***" has the meaning set forth in Section 1.

"***Security***" means common stock, options to purchase common stock, debt securities, preferred stock and derivative securities, such as put and call options, warrants, swaps, caps and collars.

"***Special Blackout Period***" has the meaning set forth in Section 7.2.

"***Tipping***" has the meaning set forth in Section 5.

*"**Transact**" or "**Transaction**"* means purchases, sales, pledges, hedges, loans or other transactions in publicly traded Securities. For the avoidance of doubt, Transactions include gifts (including without limitation donations), unless exempted as described in Section 4.3 of this Policy, subsequent sales of the Company's Securities issued pursuant to equity awards, as well as broker-assisted sales for the purpose of generating the cash needed to cover the costs of stock option exercises and/or tax withholding related to the exercise or settlement of equity awards.

Appendix A

MYND.AI, INC.

10B5-1 PLAN GUIDELINES

These 10b5-1 Plan Guidelines provide further requirements for entering into and operating a 10b5-1 Plan under the Company's Insider Trading Policy ("***Policy***"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Policy.

1. Good Faith

You must act in good faith with respect to your 10b5-1 Plan under this Policy. Your failure to act in good faith with respect to a 10b5-1 Plan, including with respect to modifications and terminations, will cause the plan to no longer comply with Rule 10b5-1 and the Policy and potentially cause your prior Transactions in the Company's Securities thereunder to violate the Policy.

2. Trades Outside of a 10b5-1 Plan

Any Transaction outside of a 10b5-1 Plan may mitigate the benefits of the 10b5-1 Plan. Consequently, Covered Persons should generally not Transact in the Company's Securities (except as permitted by Section 4.3 of the Policy) outside of a 10b5-1 Plan while a 10b5-1 Plan is in effect.

3. 10b5-1 Plan Adoption or Termination (including Modification); Good-Faith Considerations

Section 9 of the Policy sets forth the requirements for entering into a 10b5-1 Plan, including preclearance requirements. The same requirements and provisions apply to any modification of a 10b5-1 Plan. Any questions regarding proposed modifications to, or terminations other than pursuant to the existing terms of, a 10b5-1 Plan should be directed to the Compliance Officer.

While Rule 10b5-1 does not expressly forbid the early termination of a 10b5-1 Plan, the SEC has made clear that once a 10b5-1 Plan is terminated, the affirmative defense may not apply to any trades that were made pursuant to that plan if such termination calls into question whether the good-faith requirement was met or whether the plan was part of a plan or scheme to evade Rule 10b-5 under the Exchange Act. The risk associated with terminating a plan increases if the Covered Person promptly engages in market transactions or adopts a new 10b5-1 Plan. Such behavior could arouse suspicion that the Covered Person is modifying trading behavior in order to benefit from MNPI. Accordingly, Covered Persons are encouraged to not terminate 10b5-1 Plans except in unusual circumstances. For similar reasons, Covered Persons are encouraged to avoid frequent modifications of 10b5-1 Plans. Covered Persons are required to provide prompt notice of termination of any 10b5-1 Plan to the Compliance Officer. Furthermore, the Company recommends that Covered Persons refrain from engaging in new Transactions in the Company's Securities or entering into a new 10b5-1 Plan for a reasonable period of time following a termination of a prior 10b5-1 plan other than pursuant to the terms of such plan.

4. Overlapping Plans

Under Rule 10b5-1, Covered Persons may not have more than one (1) 10b5-1 Plan in operation at any given time, subject to certain limited exceptions. Consult with the Compliance Officer to discuss whether any of these exceptions may apply to your situation, particularly if you wish to enter into a new 10b5-1 Plan under which trades will commence shortly after an existing 10b5-1 Plan would terminate in accordance with its terms.

5. Single-Trade Plans

Covered Persons may not enter into a 10b5-1 Plan that is designed to Transact the total amount of the Company's Securities subject to the 10b5-1 Plan as a single transaction (a "***Single-Trade Plan***"), unless (i) the Covered Person has not, during the prior twelve (12)-month period, entered into another 10b5-1 Plan of the same design; and (ii) such other 10b5-1 Plan was eligible to receive the affirmative defense under Rule 10b5-1.

6. Timing of First Trade (Cooling-Off Periods)

For Company directors and officers, 10b5-1 Plans must be subject to a "cooling off" period pursuant to which no trading may commence after the 10b5-1 Plan is adopted until the expiration of the later of (i) ninety (90) days after the adoption of the 10b5-1 Plan, or (ii) two (2) business days following the filing of the Form 6-K or Form 20-F for the fiscal period in which the plan was adopted, not to exceed one hundred and twenty (120) days following adoption of the 10b5-1 Plan.

For other Covered Persons, 10b5-1 Plans must be subject to a "cooling off" period (between the date the 10b5-1 Plan is adopted and when trading under the plan may commence), pursuant to which no trading may commence after the 10b5-1 Plan is adopted until the expiration of 30 days after the adoption of the 10b5-1 Plan.

7. Specific Trading Schedules

1.1 The Company encourages trading schedules to provide for a pattern of regular trades occurring over time to minimize any inference that the Covered Person is not acting in good faith.

1.2 If the specified number of shares is not sold on a designated date for sale pursuant to a trading schedule, the unsold shares may be added to the order(s) for the following designated date of sale on a trading schedule; provided that the number of shares added to the subsequent date of sale on the trading schedule shall be limited to no more than the number of shares originally intended to be sold on the subsequent date of sale.

For example, if an individual has 5,000 aggregated, unsold shares under a 10b5-1 Plan but the trading schedule provides for only 1,000 shares to be sold per trading interval, the aggregation feature outlined in this section shall allow for trading of up to 2,000 shares in each trading interval thereafter until such time as the 5,000 aggregated, unsold shares under the 10b5-1 Plan have been sold.

8. Plan Suspension & Termination

10b5-1 Plans should include a provision that automatically suspends trading under the plan upon notice of suspension from the Company triggered by certain events. Events contemplated by such notice include underwritten public offerings by the Company and acquisition of the Company.

10b5-1 Plans should also include a provision automatically terminating the plan at some future date. In addition, any 10b5-1 Plan must provide for automatic termination in the event of death, a personal bankruptcy filing, the filing of a divorce petition, employment termination (in which case such automatic termination will occur at the beginning of the next open trading window), the last scheduled sale of shares, the public announcement of a merger, recapitalization, acquisition, tender or exchange offer, or other business combination or reorganization resulting in the exchange or conversion of the shares of the Company into shares of another company, or the conversion of the Company's Securities into rights to receive fixed amounts of cash or into debt securities and/or preferred stock (whether in whole or in part).

9. Plan Brokers

Unless otherwise approved by the Compliance Officer, all 10b5-1 Plans must be implemented through a broker included in a list approved by the Compliance Officer. The Compliance Officer may amend this list from time to time.

An insider must not communicate any MNPI about the Company to the broker or attempt to influence how the broker exercises his or her discretion in any way.

Exhibit A

MYND.AI, INC.

INSIDER TRADING POLICY

CERTIFICATION OF DIRECTORS AND OFFICERS

Pursuant to the Company's Insider Trading Policy (the "***Policy***") and the requirements of the federal securities laws, I hereby certify that I am not aware of any MNPI concerning the Company. I further understand that I am not authorized to trade in any Company Securities in reliance on this certification until I receive written preclearance from the Compliance Officer, and that, even if I receive preclearance, I will not trade if I have MNPI or am subject to a Blackout Period at the time the trade is to be executed. Capitalized terms not defined herein shall have the meanings ascribed to them in the Policy.

Date:

Signature:

Printed Name:

Exhibit B

MYND.AI, INC.

INSIDER TRADING POLICY

ACKNOWLEDGMENT

I certify that I have read, understand and agree to comply with the Company's Insider Trading Policy. I consent to the public disclosure of required information in the Company's SEC filings regarding its 10b5-1 plans. I further agree that I will be subject to sanctions imposed by the Company, in its discretion, for violation of the Insider Trading Policy, and that the Company may give stop-transfer and other instructions to the Company's transfer agent against the transfer of Company securities as necessary to ensure compliance with the Insider Trading Policy. I acknowledge that one of the sanctions to which I may be subject as a result of violating the Insider Trading Policy is termination of my employment, including termination for cause, or if I am a director, removal from the Company's board of directors.

Revision History

Version	Effective Date	Approved By	Notes (e.g., description of changes)
1.0	December XX, 2023	Mynd.ai Board of Directors	

Exhibit 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Vin Riera, certify that:

1. I have reviewed this annual report on Form 20-F of Mynd.ai. Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
   (a) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 26, 2024

By: /s/ Vin Riera

Name: Vin Riera

Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Arthur Giterman, certify that:

1. I have reviewed this annual report on Form 20-F of Mynd.ai. Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
   (a) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 26, 2024

By: /s/ Arthur Giterman

Name: Arthur Giterman

Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Mynd.ai. Inc. (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vin Riera, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2024

By: /s/ Vin Riera

Name: Vin Riera

Title: Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Mynd.ai. Inc. (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Arthur Giterman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	March 26, 2024
By:	/s/ Arthur Giterman
Name:	Arthur Giterman
Title:	Chief Financial Officer

March 26, 2024

Securities and Exchange Commission 100 F Street, N.E.

Washington, DC 20549 Commissioners:

We have read the statements made by Mynd.ai, Inc. (formerly Gravitas Education Holdings, Inc.) under Item 16F of its Form 20-F dated March 26, 2024. We agree with the statements concerning our Firm in such Form 20-F; we are not in a position to agree or disagree with other statements of Mynd.ai, Inc. contained therein.

Very truly yours,

Marcum Asia CPAs LLP

Marcum Asia CPAs LLP New York, NY

Exhibit 97.1

Confidential

mynd.ai

DODD-FRANK CLAWBACK POLICY

APPROVED: December 13, 2023

The Board of Directors (the "Board") of Mynd.ai, Inc., and its successors (the "Company") has adopted this Dodd-Frank Clawback Policy (this "Policy") in accordance with the applicable provisions of The New York Stock Exchange Listed Company Manual (the "Clawback Rules"), promulgated pursuant to the final rules adopted by the Securities and Exchange Commission enacting the clawback standards under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Compensation Committee of the Board (the "Committee") is designated to administer this Policy. Capitalized terms not otherwise defined in this Policy have the meanings given to them under the Clawback Rules.

Certain Defined Terms. For purposes of this Policy, and in accordance with the Clawback Rules, the following terms have the following meanings as set forth below:

Covered Individuals. The Covered Individuals are the individuals subject to this Policy, and in accordance with the Clawback Rules shall be the current and former Executive Officers of the Company.

Executive Officer. An Executive Officer is the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company's parent(s) or subsidiaries are deemed Executive Officers of the Company if they perform such policy making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. Identification of an Executive Officer for purposes of this Policy would include at a minimum executive officers identified pursuant to 17 CFR 229.401(b).

Financial Reporting Measures. Financial Reporting Measures are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

Incentive-based Compensation. Incentive-based Compensation is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

Received. Incentive-based Compensation is deemed Received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation occurs after the end of that period.

Recovery of Erroneously Awarded Incentive Compensation. The Company shall comply with the Clawback Rules and reasonably promptly recover Erroneously Awarded Compensation Received by Covered Individuals as required by the Clawback Rules, in the event the Company is required to prepare an accounting restatement due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

Covered Compensation. This Policy applies to the Incentive-based Compensation Received by a Covered Individual: (1) after such Covered Individual began service as an Executive Officer; (2) who served as an Executive Officer at any time during the performance period for

that Incentive-based Compensation; (3) while the Company has a class of securities listed on a national securities exchange or a national securities association; and (4) during the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement as described above (or during any transition period, that results from a change in the Company's fiscal year, within or immediately following those three completed fiscal years, as determined in accordance with the Clawback Rules). The amount of Incentive-based Compensation subject to this Policy is the Erroneously Awarded Compensation, which is the amount of Incentive-based Compensation Received by a Covered Individual that exceeds the amount of Incentive-based Compensation that otherwise would have been Received by the Covered Individual had it been determined based on the restated amount (or otherwise determined in accordance with the Clawback Rules), and will be computed without regard to any taxes paid by the Covered Individual (or withheld from the Incentive-based Compensation). The Committee shall make all determinations regarding the amount of Erroneously Awarded Compensation.

Method of Recovery. The Committee shall determine, in its sole discretion, the manner in which any Erroneously Awarded Compensation shall be recovered. Methods of recovery may include, but are not limited to: (1) seeking direct repayment from the Covered Individual; (2) reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement pursuant to which the Incentive-based Compensation was paid) the amount that would otherwise be payable to the Covered Individual under any compensation, bonus, incentive, equity and other benefit plan, agreement, policy or arrangement maintained by the Company or any of its affiliates; (3) cancelling any award (whether cash- or equity-based) or portion thereof previously granted to the Covered Individual; or (4) any combination of the foregoing.

No-Fault Basis. This Policy applies on a no-fault basis, and Covered Individuals will be subject to recovery under this Policy without regard to their personal culpability.

Other Company Arrangements. This Policy shall be in addition to, and not in lieu of, any other clawback, recovery or recoupment policy maintained by the Company from time to time, as well as any clawback, recovery or recoupment provision in any of the Company's plans, awards or individual agreements (including the clawback, recovery and recoupment provisions in the Company's equity award agreements) (collectively, "Other Company Arrangement") and any other rights or remedies available to the Company, including termination of employment; provided, however, that there is no intention to, nor shall there be, any duplicative recoupment of the same compensation under more than one policy, plan, award or agreement. In addition, no Other Company Arrangement shall serve to restrict the scope or the recoverability of Erroneously Awarded Compensation under this Policy or in any way limit recovery in compliance with the Clawback Rules.

No Indemnification. In accordance with the Clawback Rules, the Company shall not indemnify any Covered Individual against the loss of Erroneously Awarded Compensation.

Administration; Interpretation. The Committee shall interpret and construe this Policy consistent with the Clawback Rules and applicable laws and regulations and shall make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Committee shall be final, binding and conclusive on all affected individuals. As required by the Clawback Rules, the Company shall provide public disclosures related to this Policy and any applicable recoveries of Erroneously Awarded Compensation. To the extent this Policy conflicts or is inconsistent with the Clawback Rules, the Clawback Rules shall govern. In no event is this Policy intended to be broader than, or require recoupment in addition to, that required pursuant to the Clawback Rules.

Amendment or Termination of this Policy. The Board reserves the right to amend this Policy at any time and for any reason, subject to applicable law and the Clawback Rules. To the extent that the Clawback Rules cease to be in force or cease to apply to the Company, this Policy shall also cease to be in force.

COVERED INDIVIDUAL ACKNOWLEDGMENT

I acknowledge that I have received a copy of the Policy electronically, and that I have read and understood the Policy. I further understand that the Policy applies to my Incentive-Based Compensation, as defined in the Clawback Rules, that I am a Covered Individual pursuant to this Policy, and that I am subject to this Policy and the Clawback Rules in all respects.